

# The NATIONAL UNDERWRITER

Life Insurance

General Insurance  
Life Insurance  
Fire Insurance  
Marine Insurance  
Automobile Insurance  
Barr

INS. LAB.

OCT 20 1936

## A Reassuring Review

The American Life Convention closes its 31st year.

Formed to extend the benefits of life insurance and to raise the standards of the business—this anniversary of the A. L. C. presents an appropriate occasion for a review of the year's milestones—and one heartily reassuring to policyholders and agents.

Many constructive forces have cooperated and are due the credit for the remarkable progress made:

- AGENTS, assisted by forward-looking companies, have adjusted their selling methods to new conditions and have become skillful in helping to adjust and rebuild insurance programs for their clients.
- LIFE COMPANIES have improved their training methods, raised their professional standards, produced new, modern policies and, withal, have increased assets and reserves and strengthened themselves generally.
- COMMISSIONERS, and supervising officials, have raised the efficiency of their supervision and taken steps, acting together, to improve company examination.
- INSURANCE ORGANIZATIONS—such as the American Life Convention have taken distinct steps toward their stated objectives, and in several specific ways have improved the standards of the business.

Sometimes leading in efforts at betterment, always actively participating, The Kansas City Life and its loyal and successful agents look forward with confidence to another year of still further improvement and still greater opportunities for genuine service to the insuring public.

## KANSAS CITY LIFE INSURANCE CO.

HOME OFFICE: 3520 BROADWAY

KANSAS CITY, MISSOURI

J. B. REYNOLDS,  
President

C. N. SEARS,  
Secretary

Agency inquiries should be addressed to  
J. F. Barr, Vice-president and superintendent of agents.

AMERICAN  
LIFE  
CONVENTION

SATURDAY, OCTOBER 17, 1936



*Home Office Building*

*San Antonio, Texas*

MAKE IT YOUR HEADQUARTERS WHEN HERE

## "SAN ANTONIO'S OWN" SALUTES YOU

As San Antonio's only home-officed old line legal reserve life insurance company, The Great American Life joins its Texas neighbors in warmly welcoming the American Life Convention to the Lone Star State.

Here, in this Centennial year, you will behold a veritable empire commemorating the one hundredth anniversary of its independence. Men, made immortal by their heroism is that conquest for freedom, bequeathed a priceless heritage to those who followed in their footsteps—the heritage of OPPORTUNITY for all who possess the will to grasp it.

The Centennial celebration makes the selection of this year's convention city a well chosen scene indeed. The purpose of both events being particularly parallel:—one dedicated to the memory of men who made independence; the other devoted to the interest of a service guaranteed to perpetuate it—old line legal reserve life insurance.

We value the privilege of participating in both of these worthy projects, and, we are honored to extend San Antonio's salute to American Life Convention members — our State's distinguished guests.

## The GREAT AMERICAN LIFE INSURANCE COMPANY

*CHAS. E. BECKER, President*

*Capital & Surplus Over \$900,000.00*



*Insurance in Effect Over \$21,500,000.00*

## Dallas A. L. C. Rally Is Notable Event

### Investments Are the Big Problem

Number of Papers Were Presented on This Important Subject

### MUCH INTEREST EVINCED

Executives Have Many Personal Conferences with One Another in an Informal Way

By C. M. CARTWRIGHT

Convention Hall  
Dallas, Tex., Oct. 16.

That fear that manifested itself at annual meetings of the American Life Convention a few years ago has vanished. Then executives did not know which way the cat would jump. They were confronted with problems of high importance. The days were dark and the morrow uncertain.

Now the scene is changed. Companies have worked out admirably. There may be a few dubious spots but as a whole the situation has cleared until executives know their institutions are safe. The burdens were heavy when the great pall fell over the country. Executives were aged because of worry and huge responsibilities.

With the machinery now running sat-

### New Officers Elected

#### PRESIDENT

T. A. Phillips, president Minnesota Mutual Life

#### MANAGER AND GENERAL COUNSEL

Col. Charles B. Robbins

#### ASSOCIATE COUNSEL

Ralph H. Kastner

#### ATTORNEY

M. E. Benson

#### ASSISTANT SECRETARY

Miss Mildred Hammond

#### ASSISTANT TREASURER

Miss Lillian Wille

#### EXECUTIVE COMMITTEE

New Members—Gerard S. Nollen, Bankers Life of Iowa; Harry R. Wilson, American Central; Julian Price, Jefferson Standard Life.

Holdover Members—H. K. Lindsley, Farmers & Bankers Life of Wichita; C. A. Craig, National Life & Accident of Nashville, and W. T. Grant, Business Men's Assurance.

isfactorily and the companies working out of their worst conditions, the chief concern among executives centers on investments. Many companies are selling their property taken over under foreclosure with no or little loss and in some cases a profit. Real estate is looking up and it will gradually be disposed of. In some cases, companies are earning a satisfactory profit on some of their farm operations.

What to buy and how much, where to

get safe investments at a price that at least will equal the legal rate of interest are questions confronting every company. Some are not earning the legal rate of interest on new investments. Some are seeking small blocks here and there to get a better return. The calling of bonds and refunding has cut down the average on old investments.

The deep interest shown in the papers  
(CONTINUED ON PAGE 7)

### Pick T. A. Phillips As New President

Has Served on the Executive Committee the Last Two Years

### LAST SESSION'S RECORD

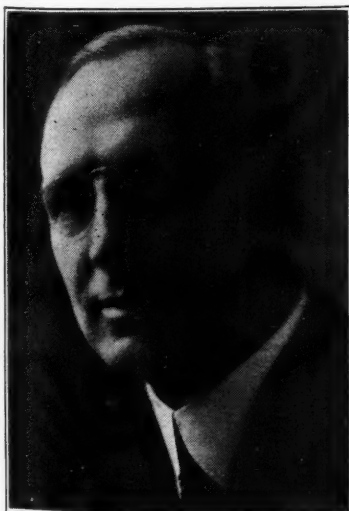
Gerard S. Nollen, Retiring Head, Is Given a Place of Distinction—Committeemen Are Chosen

Convention Headquarters,  
Dallas, Tex., Oct. 16.

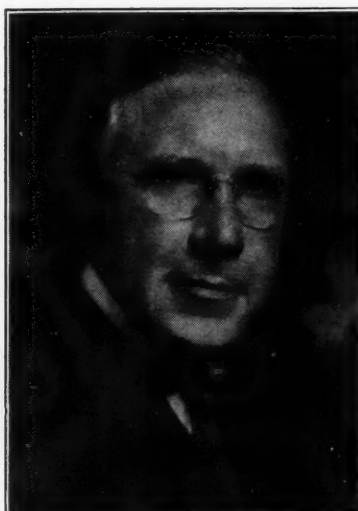
T. A. Phillips, president of the Minnesota Mutual Life, who has been a director of the American Life Convention for the last two years and one of its acknowledged leaders, was inducted into office today as president of the organization, succeeding Gerard S. Nollen, president of the Bankers Life of Iowa. Mr. Nollen, according to custom, was elected on the executive committee to serve a term of two years.

Mr. Phillips is one of the chief executives that has worked to the top through the actuarial route. His predecessor, E. W. Randall, chairman of the board of the Minnesota Mutual was president of the American Life Convention and served with distinction.

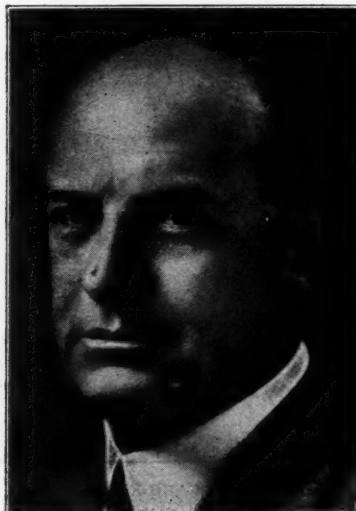
(CONTINUED ON PAGE 18)



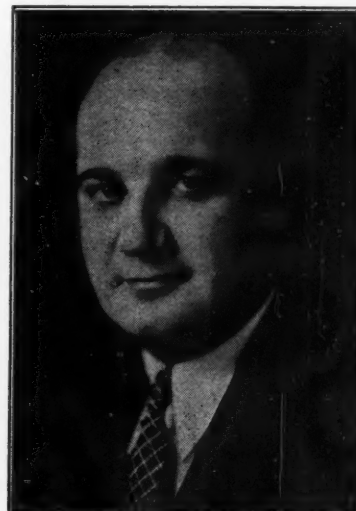
T. A. PHILLIPS, St. Paul  
New President



GERARD S. NOLLEN, Des Moines  
Retiring President



COL. C. B. ROBBINS, Chicago  
Manager-General Counsel



RALPH H. KASTNER, Chicago  
Associate Counsel



## Varied Features at First Session

Magnificent Address of President  
G. S. Nollen Was the  
Highlight

### GREETINGS ARE EXTENDED

Bankers Life of Iowa Had Big Day as  
Actuary McConney's Presentation  
Also Won Ovation

The opening general session Wednesday morning started with a good round of applause for President G. S. Nollen, who called on Col. C. B. Robbins, A.L.C. manager and general counsel to give his annual report reviewing the work of the year.

President Nollen in magnificent form gave his address which did not deal with the work of the A.L.C. but took up economic, monetary and international problems. He is a clear, incisive thinker and analyzed the present public debt question in a most masterly way. His address was one of the foremost contributions to the convention and it may not be superlative to say it was the classic. It was a massive production which deserves wide reading and profound thought.

### Greetings Received from Other Bodies

One of the features of the opening session is the greeting extended by other associations. A droll, southern humorist appeared for the U. S. Chamber of Commerce, Jos. W. Evans of Houston, a big cotton man. He is a director and paid tribute to two life company presidents who are also directors, S. F. Clabaugh, Protective Life, and L. J. Dougherty, Guaranty Life. He declared there could be no wide inflation in this country because it is self-sustaining. When a nation has to buy from others to sustain itself then inflation may be acute. Life insurance, he said, has contributed much to social security. Mr. Evans thinks the

(CONTINUED ON PAGE 17)

## Headquarters Group at Dallas



From A. L. C. headquarters in Chicago, came (left to right) M. E. Benson, attorney; Lee N. Parker, head of the American Service Bureau; Miss Mil-

dred Hammond, assistant secretary; Col. C. B. Robbins, manager and general counsel, and Ralph H. Kastner, assistant general counsel.

### A. L. C. Day at the Centennial Was a Pronounced Success

Thursday was declared American Life Convention day at the Texas Centennial. Many went out in the afternoon to see the exhibits. D. Easley Waggoner, United Fidelity Life, was in charge of the event. The big parade started at 8 o'clock when the magnificent pageant "The Cavalcade" was visited.

President G. S. Nollen of the A.L.C. had an official box, and being introduced, spoke briefly when the performance ended. From there the A.L.C. people

went to see the "Drunkard" where in its olio, a number of the visitors were mentioned. Then at 11 p. m. all hands went to the Centennial Club at the Streets of Paris and the revelry there continued until 2 a. m.

### Mrs. T. W. Blackburn Present

The American Life Convention does a gracious thing every year in having Mrs. T. W. Blackburn of Omaha present. Her husband was one of the founders and for many years secretary and manager of the A. L. C. and was universally beloved. She always attended the meetings with him.

## Public Plans Cost More Than Private

Brill Makes Comparison in Opening  
Round Table on Group  
Covers

### LINE HAS HELD UP WELL

Predict Tax on Undistributed Profits  
Will Cause Increase in Sales to  
the Employers

Cost of group life, annuities, accident and sickness, accidental death and dismemberment and hospitalization is appreciably lower than compulsory cost of benefits under the social security act. Emil E. Brill, vice-president group department General American, stated in opening as chairman the group round table Thursday afternoon.

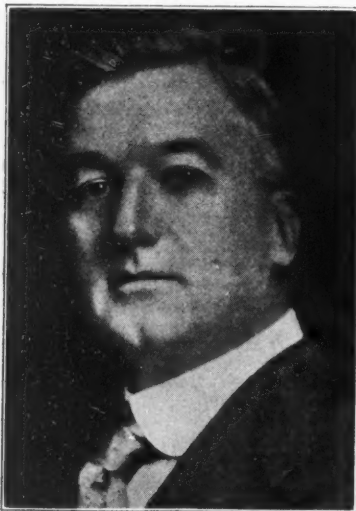
He said that of the 100 companies with group in force Dec. 31, 1933, there were 61 that were members of the A. L. C., administering over five billions of group insurance. Group insurance has well survived the depression, he said, and employers and employees are more seriously considering group plans. At no time in the depression was volume more than 10 percent below the peak nor less than at the start of depression. Social security laws have given emphasis to the protection afforded by more than 11 billions of group. Group is needed to make up protective deficiencies of social security legislation. Types of employees excluded from the act can use the equivalent of the tax paid by others to carry private group plans.

### Undistributed Profits Tax Law May Prove Beneficial

Recent laws to tax undistributed profits will induce employers to contribute more for furnishing benefits for employees. Increased volume of non-contributory group insurance is being purchased. Mr. Brill suggested that this accomplishes the purposes of social security acts—releases surplus funds for trade

(CONTINUED ON PAGE 10)

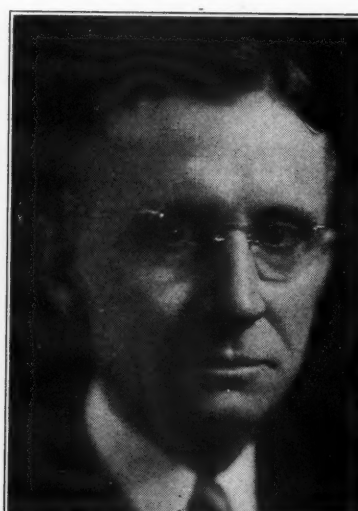
## ON LOCAL EXECUTIVE COMMITTEE FOR CONVENTION



HARRY L. SEAY, SR.



D. E. WAGGONER



E. B. SMYTH



E. P. GREENWOOD

Harry L. Seay, Sr., president of the Southland Life, served as chairman of the local executive committee for the convention. Among his co-workers on that committee were D. E. Waggoner, vice-president and general manager United Fidelity Life; E. B. Smyth, president Fidelity Union Life, and E. P. Greenwood, president Great Southern Life.



# Agency Section Speakers Probe Deeply

## Spirit of Public Service Essential

Greatest of Life Insurance Is Founded on Value to Society

## NEED BROADER CONCEPT

G. H. Harris of Sun Life Evaluates Business in Talk Before Agency Section

Life agents, proportionate to their number, probably shoulder more public work and engage more liberally in activities aimed toward the public welfare than any other class of people in this world, declared George H. Harris, public relations officer Sun Life of Canada, in a masterful talk before the Agency Section of the American Life Convention. In presenting a eulogistic evaluation of life insurance as a national asset, Mr. Harris' paper showed a thorough grasp of the subject and gave his listeners a new conception of the business.

He declared that in almost every community, life insurance representatives are always in the forefront in civic activities. Such an outlook, he said, is essential in carrying the business to greater heights of achievement. The impulse of the public service spirit, as well as mechanical perfection, is necessary for progress. Mr. Harris urged agents to take a broader, more social, attitude toward their work. An agent, he said, is more than a mere canvasser for life insurance, he is a powerful moral force. He invokes worthiness, appeals to prudence, to right conduct and human consideration. "If we get clearly in our minds that the most constructive type of service we can render is to insure the public, and having insured the public to keep that insurance estate intact, we shall have discovered an impulse that will keep us going against every discouragement."

## Bring Out Broad Meaning of Insurance

Mr. Harris emphasized that if people are to buy more insurance in the future, its broader meaning must be brought to them by agents, and their outlook must not be limited to a mere discussion of policy features or price. He cited past experience as proof of this. Between 1914 and 1920, new insurance written advanced from 3½ billions a year to over 10 billions a year, an increase in annual production in six years of 305 percent. Between 1923 and 1929, another six year period, new insurance advanced from 12 billions a year to 19½ billions. While this increase was about the same as for the former period, a percentage gain of but 63 percent was the result, and this was in spite of the fact that the second period was the greatest boom time in the history of the country. Life insurance from 1914 to 1920 was thus paid for out of sacrifice and not out of surplus. This was due to the fact that people were going through a period when they had brought home to them vividly the uncertainty of life. During the boom period, people were affluent and bought insurance more for investment.

(CONTINUED ON PAGE 14)

## Quality Business at Less Cost Is Chief Necessity

J. C. Higdon Suggests Guarantee System for Improving Persistency

The suggestion that perhaps life agents should warrant the quality of new business they produce, just as manufacturers guarantee the quality of their products, and that if new business does not measure up to standard quality but lapses before expiration of some period agreed upon, the agent replace it just as the manufacturer replaces his defective merchandise, was made by J. C. Higdon, vice-president Business Men's Assurance, before the Agency Section of the American Life Convention.

Speaking on "Factors Affecting the Value of Quantity Business," Mr. Higdon said that while it might not be equitable to ask the agent to replace such lapsed business without some compensation, he might share the expense on some agreeable basis. He stated the Business Men's Assurance had incorporated this idea in its compensation plan for both agents and branch managers, with noticeable effect on quality of business produced. He pointed out that with the advent of low interest rates, there has been a tendency for responsibility to develop on the agency department to produce business at lower cost and of better quality to offset the deficit of income from investments. Profit on new business depends on premium rate and assumptions as to mortality, persistency, expense and interest returns. However, these all present problems and whether these assumptions are correct can only be determined by future experience.

Taking up persistency factors, Mr. Higdon stated that lapse rate appears to be influenced by size of policy, age at issue, plan of insurance, method of premium payment and the age of the agency producing the business. Many factors suitable to persistent business,

(CONTINUED ON PAGE 15)

W. C. Schuppel Declares Present Production Method Must Be Refined

The agency system of life companies is on trial today because of the constant cry for more value for less money, and if the public finds that it is more profitable to handle the distribution of life insurance in some other way, then inevitably that plan will supplant the present method. This was the prediction of W. C. Schuppel, executive vice-president Oregon Mutual Life, who spoke on "The Management Looks at the Agency Department" before the Agency Section on Friday.

Mr. Schuppel was emphatic in pointing out that company management in the future must give closer cooperation to the agency department in an effort to improve the present method of distribution. The following questions must be answered, he said: Are we doing a better job than the government or any other agent can do? Is this system, after all, the most efficient for distributing our product? Is our service better? Are the benefits to our policyholders greater?

## Agency Department Is Public Relations Section

He declared the agency department must be regarded as the public relations department of the company. The public must be taken into confidence, he said, and kept constantly informed as to the company's aims, ideals, ethics, accomplishments and contributions to the welfare of society. He emphasized the time has come to discard what has been characterized as "the policy of dignified silence" and to "boldly and squarely meet the issue raised by pamphleteers, snipers, and ignorant souls who delight to attack the institution of life insurance." Management, when looking at the agency department, must also look at the market with which it has to deal. While

(CONTINUED ON PAGE 15)

## E. B. Stevenson, Jr. Is New Chairman

Papers Are Given by G. H. Harris, J. C. Higdon and W. C. Schuppel

## DERN PRESIDING OFFICER

Friday Morning Was Left Free For the Deliberations of the Agency Executives

## NEW OFFICERS ELECTED

Chairman—E. B. Stevenson, Jr., Nashville, vice-president National Life & Accident.

Secretary—H. W. Manning, Winnipeg, assistant general manager, Great West Life.

E. B. Stevenson Jr., vice-president National Life & Accident of Nashville, was elevated from the secretaryship of the Agency Section to the chairman's post, succeeding A. L. Dern, vice-president Lincoln National. H. W. Manning, assistant general manager Great-West Life, was chosen secretary.

Mr. Dern presided at the Friday morning session which was given over entirely to the Agency Section. There were three speakers: George H. Harris of Montreal, public relations officer Sun Life; J. C. Higdon of Kansas City, vice-president Business Men's Assurance; and W. C. Schuppel of Portland, Ore., vice-president Oregon Mutual Life. They all dealt with agency subjects, although Mr. Harris' presentation was largely inspirational.

Mr. Dern in his opening remarks said that marketing is the main function of a life company. More than half the expense of company operations is incurred by the agency department. With lower interest rates, it is more incumbent on that department to see to it that its expenditures are made wisely. Mere volume should not be the chief purpose of the agency department. Mr. Dern emphasized the statement that the public judges a company by its field workers. He estimated the number of whole time agents as 100,000 and part timers as 50,000.

W. W. Jaeger, vice-president Bankers Life of Iowa, spoke as chairman agency practices committee, calling attention to the importance of the movement to employ only whole time agents in places of over 50,000 people and to eliminate the unfit everywhere. He urged more companies to get back of this project. Companies, he added, owe much to the public and they should see to it that only competent and honorable agents are in the field. Many of the worthy agents, he said, are inquiring why their companies have not signed this agreement. All companies, he declared, should anticipate the demand that will eventually be made on them.

## Banquet at the Country Club

The banquet at the Dallas Country Club Wednesday evening was a gala affair with an overflow attendance. The basement was fitted up in true frontier style with dodgers on the wall offering reward for the capture of well known A. L. C. dignitaries. Their pictures appeared on the dodgers.

## Agency Section Leaders



E. B. STEVENSON, JR., Nashville  
New Chairman



ALFRED L. DERN, Fort Wayne  
Retiring Chairman

# Legal, Financial and Industrial Parleys

## Investors Weigh Texas Securities

Financial Section Program Was Built Around Investments in Host State

### McPHERSON IS CHAIRMAN

Lone Star Spokesmen Give Optimistic Analysis of Railroad, Farm, Utility, and Municipal Outlook

#### NEW OFFICERS ELECTED

Chairman—J. E. McPherson, Kansas City, treasurer Business Men's Assurance.

Secretary—Alex B. Cunningham, Helena, Mont., treasurer Montana Life.

J. E. McPherson, treasurer Business Men's Assurance, was chosen chairman of the Financial Section to succeed Harry V. Wade, United Mutual. He went with the Business Men's in 1926 as comptroller and was made treasurer in 1931. He had been secretary and trust officer of the Guaranty Trust Co., where he had an all round experience in banking.

A. B. Cunningham, treasurer Montana Life, was chosen secretary.

The Financial Section program was built around Texas investments. Many A. L. C. companies have millions in Texas securities. C. D. Simmons, investment officer University of Texas, who spoke on Texas municipal bonds, originated the insurance course in that institution and taught the subject. Owen M. Murray, president Murray Investment Co. of Dallas, who spoke on relations between mortgage loan correspondents and life companies, is a former president of the Mortgage Bankers Association. He was suffering from sore throat and had a temperature of about 100.

#### Bank President Introduced by Seay

Harry L. Seay, Southland Life, introduced President F. F. Florence, Republic National Bank & Trust Co. of Dallas, who is head of the Texas Centennial. Although this is a comparatively new bank, Mr. Seay stated it had more deposits than all the Texas banks in 1905. Mr. Florence discussed the qualifications of a utility to be admissible to the Texas Robertson law which requires 75 percent of the reserves on Texas policies to be invested in Texas securities.

Mr. Florence considers the Texas laws safe and sound. The Robertson law aims to keep Texas money in Texas. The exactions of the act on utilities are rigid and he feels the time has come to liberalize it especially in view of the need for utilities in the rural areas. He believes that long term bonds can be financed to furnish funds for this extension work and they should be kept safe. He said there will have to be some governmental subsidy because capital will not be attracted unless the investment is well protected.

Mr. Florence held that this work should be conducted under private enterprise. There is a definite scarcity of

(CONTINUED ON PAGE 11)

## Definite Steps Taken to Set Up Industrial Bureau

Nettleship New Chairman—"Research" Project Is Advanced at Section Meeting

#### NEW OFFICERS ELECTED

Chairman—F. M. Nettleship, secretary of agencies, Equitable Life of Washington, D. C.

Secretary—Thomas J. Mohan, vice-president, Eureka Maryland Assurance.

F. M. Nettleship of Washington, D. C., secretary of agencies, Equitable Life of that city, who has served as secretary of the Industrial Section since it was established, was elected chairman succeeding J. F. Maine, London Life. Chairman Maine made some preliminary remarks as he opened the Industrial Section meeting. He visited 21 industrial company home offices.

A. G. Palmie, manager industrial department Home State Life of Oklahoma City, was on the program to speak on "The Cost of Agency Turnover and Suggested Remedies." He was at the convention but was having considerable trouble with his teeth. When at the last minute he found he could not perform he delegated President Joe D. Morse of his company to read the paper.

#### Merits of Research Commended to Companies

The author urged careful selection of agents and proper training thereafter. Mr. Morse said his company follows the inspection system in Tulsa, Oklahoma City and Dallas. All business is inspected in these cities and all agents are carefully inspected when they are being considered. The inspector is entirely independent of the agency department. If certain conditions arise on inspection, medical examination is required. Mr. Morse stated that agents soon eliminate undesirable risks after they know inspections are being made. Medical inspection is required on ages above a maximum. Mr. Morse said salaries of

inspectors run from \$65 to \$75 a week with a limited allowance for expenses. This inspection system may cut down production but the quality is improved.

Mr. Nettleship in his paper discussed the merits of research as applied to industrial companies. He advocated the establishment of a research bureau for gathering, analyzing and distributing information of use to industrial companies. The A. L. C. is willing to undertake the work if the extra expense is borne by the member industrial companies. He suggested that the enterprise could be started in an economical way and be gradually extended.

#### Bureau Might Attract Some of the Non-Members

Mr. Nettleship had made inquiry of some nonmember companies as to their attitude toward a central bureau. The replies, he said, indicated a favorable response. He believes if a bureau is started, some of the outside companies will join the A. L. C.

Mr. Maine said that seven years ago his company began making inquiry from other companies and studying its own experience in order to correct some of its mistakes. This research, he said, had been valuable. He thinks the work should be started at A. L. C. headquarters and the cost would be about \$12,000 a year. He thinks there is a lack of seriousness on part of some executives in correcting errors and creating greater efficiency. Many industrial companies are making more progress than the wholly ordinary companies. Mistakes that are being made could be corrected and this reform would do much to reduce prejudice against industrial companies on part of public officials.

Mr. Maine thinks it desirable to have uniformity as to forms and methods. President L. F. Lee of the Occidental Life of North Carolina expressed himself as very favorable to the standardization of forms and practices. He introduced a motion to have a committee of three investigate the proposed plan and report to the executive committee of the A. L. C. Mr. Maine advocated a

(CONTINUED ON NEXT PAGE)

## Social Security Acts Are Scanned

Round Table Discussion of Various State Laws Feature of Legal Meeting

### ANALYZE THE MEASURES

Varied Program Is Presented—Outstanding Papers Given—F. J. Wright Is New Chairman

#### NEW OFFICERS ELECTED

Chairman—F. J. Wright, Columbus, O., vice-president and general counsel Midland Mutual Life.

Secretary—R. A. Adams, Indianapolis, general counsel American Central Life.

F. J. Wright, general counsel Midland Mutual, who served as secretary and right hand bower of Chairman Sam B. Seabee of the Legal Section, was elevated to the presiding officer's post. It is interesting to recall that the late H. B. Arnold, Sr., who was head of Mr. Wright's law firm, was once chairman of the section and later became president of the American Life Convention.

R. A. Adams, general counsel American Central Life, was chosen secretary.

F. V. Keesling, West Coast Life, opened the round table session Tuesday afternoon on social security measures, with an exhaustive analysis of the problem, and giving his conclusions. Then various members presented digests and interpolations of the social security legislation in the different states.

Chairman Keesling outlined the California act which became effective in 1935, with payments to start in 1938. The "independent contractor" status of insurance agents dependent mainly on commission was sustained in California. The state act, he said, must fall if the federal act is found unconstitutional. The provisions in Oregon are similar, although there are no contributions from employees as in California. Both acts have been sustained by the U. S. court. The Washington act was held unconstitutional.

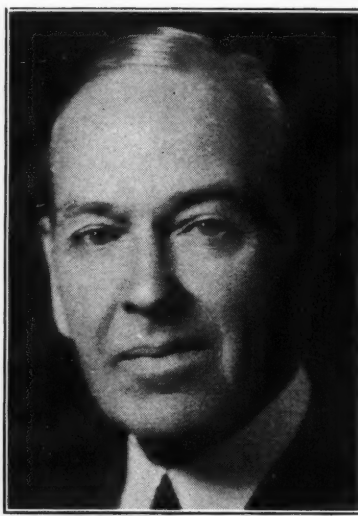
#### Disregarded the Constitution

Frank E. Spain, Liberty National Life, Birmingham, said every single major measure adopted by the new deal has displayed a "most naive" disregard of constitutional limitations, leaving the inference that he regarded the social security act in its present form in the same light. The Alabama act has been thrice amended. The taxes under it are just now in process of collection. A most objectionable feature of this and other new deal measures is superimposing of government regulation over the states that was never contemplated originally.

H. W. Kacy, Acacia Mutual, being absent, Allen May, General American Life, read his paper digesting the District of Columbia act. Employees make no contributions but only the employers and the D. of C. government, the latter by lump sum payments. He expressed the opinion the D. of C. act would not fall if the U. S. did, but

(CONTINUED ON PAGE 13)

## Financial Section Officers



J. E. McPHERSON, Kansas City, Mo.  
New Chairman



HARRY V. WADE, Indianapolis  
Retiring Chairman



## Definite Steps Taken to Set Up Industrial Bureau

(CONTD FROM PRECEDING PAGE)

of \$250 per company and an assessment of \$5 per million above the first \$25,000,000 of industrial in force. A motion prevailed that it was the sense of those present to recommend the establishment of a central bureau. It was understood that this does not bind any company.

The question arose as to whether this activity should be confined to the A. L. C. or some other agency be investigated. Many desired the A. L. C. to take it up. W. H. McBride, National Life & Accident, believed that large outsiders should be considered because they can contribute much. He is in favor of a bureau but thinks that it should be a general center. The committee to investigate the situation will submit a plan to the companies, recommend what agency is best prepared to take on the work and seek their view in a definite way.

Mr. Nettleship expressed the hope that some way can be opened for the membership of smaller industrial companies. It was suggested that an associate membership might be formed similar to the new plan adopted by the Legal Section. Many have not sufficient ordinary to qualify for membership. A motion was carried to appoint a committee consisting of the chairman, secretary and two other members to formulate some suggestion to the A. L. C. to amend the by-laws so that smaller companies can qualify for membership.

J. F. Maine, agency executive of the London Life, sang his swan song in his remarks as chairman, opening the meeting of the Industrial Section of American Life Convention. He said that next month he will have completed 42 years in the industrial business and on that anniversary expects to retire. He urged agency executives in the industrial business

ness to raise their sights and ever seek to improve the quality of the field personnel. He said he looked forward to the day when there would be no distinction between industrial and ordinary agents and all would be known as life insurance salesmen.

Advocating a research bureau for industrial companies, F. M. Nettleship, secretary of agencies Equitable Life of Washington, D. C., in addressing the meeting of the Industrial Section, recommended that a start, at least, be made by employing a competent statistical clerk, preferably with industrial experi-

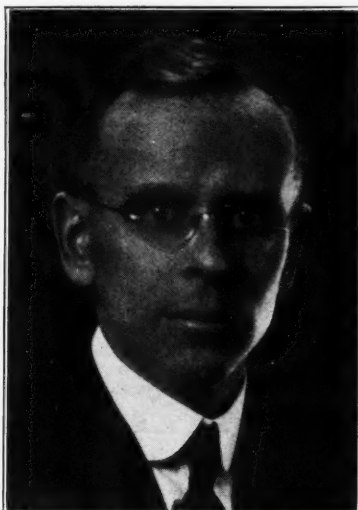
ence. This, he said, would serve to put the wheels in motion. Experience should be collected from the various companies and in three or five years, he predicted, much valuable data will have been gathered. He suggested what some of the practical benefits might be and some of the questions that might be explored.

A. G. Palmie, manager industrial department Home State Life of Oklahoma City, in his paper read to the Industrial Section, outlined some of the methods his company has used to improve experience and reduce cost. The most effective step the company has taken,

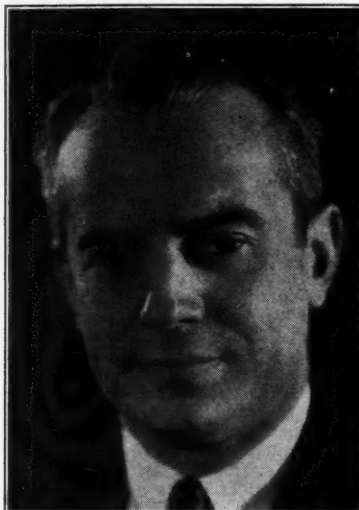
he said, has been to place in every large district an inspector, reporting directly to the home office, checking applications. This has reduced claims on new policies, has discouraged high pressure business and has increased the average collection. It has caused a reduction of about 15 percent in volume. There has been no other method that this company has used, he said, that has done so much to reduce the cost of increase.

Order a new **Little Gem** life chart, \$2, from the National Underwriter.

## Three Prominent Agency Section Speakers



GEORGE H. HARRIS, Montreal  
Sun Life of Canada



J. C. HIGDON, Kansas City, Mo.  
Business Men's Assurance



W. C. SCHUPPEL, Portland, Ore.  
Oregon Mutual Life

# GREETINGS

## TO THE AMERICAN LIFE CONVENTION

### AMICABLE LIFE INSURANCE COMPANY WACO, TEXAS

## McNairn Explains Secret of Ability to Get Uniformity

H. D. McNairn, Ontario insurance superintendent, at the Wednesday afternoon session told about the revised life laws of the Canadian provinces. It seemed remarkable that all the amendments were passed by the eight provinces on the same day, July 2, 1936. It was 25 years ago that the movement started for uniformity. He gave credit to the Association of Canadian Insurance Superintendents for being the main factor in bringing about the desired end. In speaking of the insurance superintendents conference, he said:

"The insurance superintendents' conference has always felt that the promotion of uniformity in the provincial insurance statutes of Canada was one of the most important works it could undertake and the success which has crowned its efforts has inevitably led this phase of its work to increase in importance year after year.

"During the past five or six years the superintendents have solicited the assistance of the law officers, such as the deputy attorney-general, the legislative

counsel and the like, in the several provinces. These law officers are treated as full-fledged members of the conference and have come to look on the conference as, in a sense, their own. Each year upwards of 15 different representatives from the nine provinces meet in annual conference. Possibly half of them are members of the bar, while the other half are experienced administrative officials or accountants or actuaries or the like. As a group they are fitting representatives of the public interest. They invite representatives of the insurance business to attend their conferences and put their feet under the same tables with them. Together they work on the general principle that whereas occasionally a conflict of opinion may develop as between the so-called public interest and the so-called company interest, nevertheless in a great majority of instances no such conflict exists and there is no reason why an agreement should not be reached in all cases.

"Of course, where conflicts arise the judgment of the government representa-

tives prevail, but even in those cases the company representatives feel that they have had a fair hearing and are content to abide by the results. Representatives of public organizations, such as the Canadian Manufacturers Association, Canadian Chamber of Commerce, Canadian Automobile Owners Association, and like organizations, are invited to join the conference and to participate in its deliberations. The result of such a mutual understanding is that when the conference recommends some change in the law, all interested parties have been consulted in advance and have agreed to support the recommendation. Indeed, the conference has never recommended any changes in the law without the unanimous approval of all interested parties represented. In the result, when a uniform bill comes before the legislature recommended by the superintendent of insurance, there is no opposition—no one to lobby against it—no one to tell any opposition member why it should not be adopted."

### Luncheon for Guests

On Wednesday, the A. L. C. officials gave a luncheon for the program speakers and other distinguished guests. President Nollen presided at the function.

## G. S. Nollen Makes Great Appeal for Straight Thinking

Concluding the searching presidential address of G. S. Nollen came two stirring paragraphs:

"One element of vital importance in this picture is that we shall always keep in mind the imperative need for clear vision which pierces through and sees beyond the smoke screen of prejudice. It is so easy to be swayed by invective or catch phrases, when those invective or catch phrases happen to harmonize with our preconceived notions. When a man is called a 'Tory' on the one hand or a 'Communist' on the other, nothing constructive or illuminating is added to the question under controversy. When men wax emotional about pure generalities such as the 'American way,' or 'downtrodden labor,' or 'dictatorship,' or 'communism,' or 'Wall Street,' or 'Bourbonism,' they may carry the crowd with them, but intelligent men should have the good sense to distinguish between the froth of emotion and the logic of sound reasoning based on demonstrable fact. Take, for example, the declaration, 'We want a government of laws, not of men.' No clear-thinking individual would tolerate the abandonment of our government of laws; on the other hand, it is impossible to avoid being governed by men to a large extent. A nation can not be conducted as a pure democracy, all of the people voting on every method of procedure to be followed. We must depend upon the discretionary power of men, our elected representatives, for the establishment of our general laws governing the conduct of our public affairs. In turn, those laws must be administered by men, our elected or appointed officials, or administrative groups, and those officials and groups must of necessity be vested with important discretionary powers. That is the American system, and there is nothing revolutionary about modifying the detailed mechanics of that system in harmony with changing needs.

"Our whole economic structure and all of our world relationships have changed more in the span of one lifetime than they did in the previous 500 years. Those changing conditions have inevitably brought with them imperative needs for modifications in governmental methods. The fundamental principles of government continue to remain the same. Those principles are sacred in character. It is only the mechanisms of government which need to be altered from time to time. We must not permit such mechanical alterations to impinge upon the sacred rights we call American, but let us understand clearly that if we are to enjoy economic and social progress to the full extent of the vast opportunities existing in this country of ours, we must approach all of our public problems with intelligence and with clear vision which recognizes our national needs. We may well bear in mind the admonition which has come down to us through the ages from the wise King Solomon, 'Where there is no vision, the people perish.'"

### West Coast Life Assembly

F. V. Keesling, vice-president and general counsel West Coast Life, addressed a breakfast gathering of the Texas, Oklahoma and Arkansas managers and assistants of his company in Dallas Wednesday. J. P. Robinson of Dallas, superintendent of agencies southern department, was toastmaster. About 15 field men attended.

A figure missed at this meeting was L. St. J. Thomas, actuary Shenandoah Life. He was a faithful attendant at all sessions. He retired from business this year. His son, H. E. Thomas, assistant actuary, accompanied President E. L. Trinkle.

# CHECK!

- ✓ Why boast about attractive agency contracts?  
*Every successful, alert company has them.*
- ✓ Why ballyhoo over a collection of unique policies?  
*Every aggressive, properly equipped company has them.*
- ✓ Why brag about up-to-date sales plans and material?  
*Every efficiently managed company has them.*

—Then wherein lies the difference between companies?

### It lies in Character, Personality, and Ideals!

YOU want a company that recognizes you as an important factor in its organization.

YOU want to feel that you are a respected, personally-known member of a live and pulsating human force—not a number in a machine.

YOU want a warm spirit of friendliness and good-fellowship throughout the organization of which you are a part.

YOU want, in a word, to be a man among men and enjoy individuality and life—not to be allowed to feel small, unrecognized, ignored.

Why not give a thought to the

AMERICAN CENTRAL LIFE INSURANCE COMPANY  
Established 1899      Indianopolis

"GUARANTEED BENEFITS—GUARANTEED LOW COST"



## Brothers Nollen Act Repeated



Those who attended the annual meeting of the Association of Life Insurance Presidents last December at the Waldorf-Astoria in New York City were intrigued by that famous byplay when H. S. Nollen, (left) president Equitable Life of Iowa, who was chairman, introduced his brother, G. S. Nollen, president Bankers Life of Iowa, who as head of the American Life Convention, brought greetings from that body. It was very impressive.

At Dallas the scene was reversed. Brother Gerard was presiding and Brother Henry was the spokesman for the Life Presidents Association. Therefore, these two famous Des Moines presidents, had the opportunity again to

inject some sprightly repartee into the proceedings.

Brother Gerard, in introducing Brother Henry, said that he was moved by modesty, restraint and admiration. He dared not say too much without injecting too much family into the picture. He held himself back because he said he could tell much. But to the older brother, Brother Gerard paid exquisite tribute, saying that Brother Henry had been his mentor and counsellor. He therefore stated that it was with a lofty sense of admiration that he presented him.

On the Presidents committee were also Vice-president A. T. Maclean, Massachusetts Mutual, who was not present, and G. E. Merigold, Prudential.

## Investments Are the Big Problem

(CONTINUED FROM PAGE 1)

presented at the Financial Section and those pertaining to investments at the general sessions is indicative of the concern of officials and their desire to get all possible light. Conversation turned almost immediately to this paramount subject.

The American Life Convention is a hard working organization with many functions. Aside from its departmental sections, Financial, Medical, Legal and Industrial, it carries on many activities. It has become the right hand of many companies whose officials go to it for information and help of various kinds. Most of the member companies are not in the so called large sized group. The American Life Convention does for them what the giants do for themselves. The A. L. C. is able to pool information of vast benefit. The annual meetings reflect the activities of its executive headquarters with its staff members taking an active part.

The organization has been of untold benefit to its members during the depression days when all were in the same boat and groping for a safe anchorage.

It has initiated many lines of research and assistance.

Probably most of the people in attendance will agree that it is a mistake to hold the annual gatherings any where else than in the Edgewater Beach Hotel in Chicago. That is the ideal convention hotel for this group. Chicago is centrally located. Many companies find it advantageous to send a number of executives and the expense item therefore is important. Inasmuch as the entertainment features have been minimized in later years, it is more essential to have a satisfactory and permanent meeting place.

### Texas—An Empire of Life Insurance

One can not be in Texas without realizing its position in life insurance, not only because of its many local companies, but the agency activities of outside companies. The Lone Star State is life insurance minded. Many companies have big agencies in the state. A large amount of business is written in Texas. There are upwards of 12 Texas companies that operate only in Texas. Furthermore Texas is a favorite field for mortgage loans and municipals. Texas company officials are excellent business men.

Canada occupied a prominent place at

# DOUBLE INSURANCE TO AGE 60

An Ordinary Life Policy which provides for **DOUBLE** the principal sum insured if death occurs before age 60—for the principal sum insured after age 60.

Issued at ages 10 to 50,  
\$30.43 per \$1000 at age 35.

Premium Waiver, Disability Income, and Double Indemnity are optional additions.

*A Policy Worth Knowing About  
Details upon Inquiry  
No Obligation*

**ROLLIN YOUNG**  
Agency Vice Pres.

THE  
**FRANKLIN**  
LIFE INSURANCE COMPANY  
SPRINGFIELD, ILLINOIS



EST.

1884

this year's gathering. R. Leighton Foster, general counsel Canadian Life Insurance Officers Association, gave a paper before the Legal Section. Insurance Superintendent H. D. McNairn of Ontario, spoke before the general meeting Wednesday afternoon. C. C. Ferguson, general manager Great-West Life of Winnipeg was on the program for Thursday morning but not being present his paper was read by Assistant Manager H. W. Manning. J. F. Maine, agency executive London Life of London, Ont. presided as chairman of the Industrial Section. George H. Harris of the Sun Life of Montreal spoke before the Agency Section. Mr. Foster also spoke before the general session, bringing greetings from his body.

#### D. Easley Waggoner Introduced

D. Easley Waggoner, vice-president and general manager United Fidelity Life of Dallas, who was chairman of the entertainment committee and did a great piece of work, was introduced to the convention Thursday morning and received the plaudits of those in attendance.

Mrs. R. Leighton Foster of Toronto, wife of the general counsel Canadian Life Insurance Officers, attended the convention.

## Three Speakers Heard at Thursday Morning Session

At Thursday morning's session H. W. Manning of Winnipeg, assistant general manager Great-West Life, read the paper prepared by his chief, General Manager C. C. Ferguson, treating interest and related subjects. Mr. Ferguson was attending conferences at Toronto dealing with Alberta legislation that affected investments there.

Dr. H. Y. Benedict of Austin, president University of Texas, has a keen sense of humor as was evidenced by many sallies in his address. Dr. H. E. Hoagland of Washington, D. C., member Federal Home Loan Bank Board, has been a college teacher, he having served three institutions. His main subject of instruction was business and finance. He also has had considerable business experience. He spoke on home loans for life companies. The assistance rendered by the government after the crash, he said, stabilized real estate. The withdrawal of governmental enterprises from the home financing field, he stated, will require the facilities of other loan agencies.

C. C. Ferguson, general manager of the Great-West Life, whose paper was read by H. W. Manning, suggested the desirability of non-par companies inserting in their new policies provision for increasing the premium rate if that should be found necessary. This would be comparable to the call feature of bonds, he observed. He made this suggestion after scanning the interest rate situation and pointing out that with the advent of managed money, the difficulty of predicting interest trends has been rendered even more difficult than in the past. The likelihood exists that governments will continue arbitrarily to deflect interest trends. He asserted that the public mind is obsessed with a low interest complex. The life insurance companies will be the chief sufferers from this obsession. Missionary work on the part of the companies is needed to show policyholders how their interests are affected by diminishing interest yield.

Enjoyable relish was provided in the Thursday morning general session by

H. Y. Benedict, president of the University of Texas. He gave an address on "Tempered Truth for Transients in Texas."

Compassion, he defined as, "what we Texans have when we travel outside Texas and see non-Texans dragging on relatively unhappy lives elsewhere." "The true Texan thinks that other states are merely more or less unsatisfactory foundations for roads that lead to Texas and that the inhabitants of these other states are merely roadside dwellers that are envious of those traveling toward Texas. In other words, if you do not live in Texas, you are merely camping out."

Thus Mr. Benedict touched off the well known tendency of his fellow citizens to reach for the most dazzling superlatives in characterizing their state. He announced that he would undertake to temper the truth and tell about Texas in terms that residents of typical unfortunate states might be able to comprehend. Thereupon, he proceeded to extol the state in glowing terms, but always with a humorous touch that entertained the audience greatly. He concluded with a splendid tribute to life insurance.

Much interest was exhibited in the address Thursday morning of H. E. Hoagland, member of the Federal Home Loan Bank Board of Washington, D. C., on "Home Loans for Life Insurance Companies." He contended there is a great opportunity ahead for the life companies to make investments in home mortgages; he argued that such investments offer a good diversification of risk and comparatively high interest yield and that there is an obligation on the part of the life companies to participate prominently in such investments.

He advocated use of the amortized mortgage; he asked the life companies to cooperate in bringing about better construction standards by undertaking to control location, construction, arrangement, design and other considerations. He said now that the Home Owners Loan Corporation is being liquidated, it is up to the private institutions to do the work formerly done by HOLC. He commented on the fact that during the depression institutional investors had been purchasing government bonds, the proceeds of which had been used to do the work that the institutional investors shied away from doing.

#### New Secretary of the Agency Section Elected



H. W. MANNING, Winnipeg

H. W. Manning, assistant general manager of the Great-West Life, was elected secretary of the Agency Section. He read the paper written by General Manager C. C. Ferguson of his company at the Thursday morning session.

## LEADERSHIP

Statistics of the Life Insurance Research Bureau for many months have shown the moderate sized life insurance companies leading the industry out of the aftermath of the depression.

Proud to be one of the companies which last year turned the corner and began the upward march in production, Federal Life is particularly proud of its loyal field force.

During the first eight months of 1936 they produced 64% more new life business than during the same period of 1935. The Accident and Health Department showed a 45% gain during the same period.

To the agents of the moderate sized life insurance companies all credit is due for having taken the leadership in this era of recovery.

To experienced men with the ability and the desire to associate themselves with this forward moving enterprise Federal Life extends a cordial invitation. In most states in which it operates there are openings and excellent opportunities.



**FEDERAL LIFE INSURANCE COMPANY**

**ISAAC MILLER HAMILTON, President**

**CHICAGO**



### Conventioners Hurt in a Taxicab Accident

The accident that befell seven conventioners on their way home from the Dallas Centennial Monday night was unfortunate. They were all in a taxi which was struck by a switch engine. Mrs. Jack R. Hann was badly cut and bruised about her face. Mrs. T. A. Sick was also injured quite seriously. They remained in their rooms and in fact were confined to their beds during the rest of the meeting.

Jack Hann of the Otis Hann Co. of Chicago was badly jolted and limped around as his leg was twisted. T. A. Sick, vice-president and secretary of the Security Mutual of Lincoln, Neb., was cut about the head. R. R. Lounsbury, president Bankers National Life, was not hurt to any extent. D. F. Roberts, treasurer, and R. B. Montgomery, assistant vice-president Acacia Mutual, suffered some injuries. The taxicab was about demolished.

### Personal Mention of Conventioners in Dallas

The Texas life companies contributed liberally to entertainment features. They provided the Legal Section luncheon. All convention registrants were given tickets with taxicab transportation to the Dallas Country Club, Centennial grounds, admission to the Centennial, and tickets to six concessions.

The local ladies entertainment committee consisted of Mrs. Arthur Coburn, chairman; Mesdames James Montgomery, J. F. Rodgers, Carl Weichsel, R. A. B. Goodman and Gerard Soelter. The ladies were entertained at a bridge party at the Baker Tuesday evening and were at a luncheon at the Woman's Club Wednesday.

Vice-president **Karl B. Korndy** of the Illinois Bankers Life of Monmouth, Ill., arrived Wednesday to take a squint at Texas.

The **National Life & Accident** exhibited the Texas-Tennessee Hall of Heroes in the varied industries building at the Texas Centennial grounds. In dramatic photography and narration, this exhibition depicts the romantic history of the early Tennessee pioneers who settled Texas, fought its battles, wrote its constitution, established its homes.

The nominating committee of the **Legal Section** consisted of Allen May, General American Life; Allan Bromsmith, Travelers, and A. W. Parker, Atlantic Life. The resolutions committee had J. R. Schindel, Columbia Life of Ohio, chairman; J. W. Sargent, Farmers & Bankers Life; B. P. Sears, Hercules Life.

Vice-president **F. L. Jones** of the Equitable of New York, was in attendance.

**J. F. Maine** of the London Life arrived in Dallas without his baggage. He found the porter had put it off at Decatur, Ill.

**W. M. Coreoran** of the Lee Wolfe actuarial office of New York City, and **Rollin Young**, vice-president Franklin Life, often are taken for each other.

**E. P. Greenwood**, president Great Southern Life, resides at the Baker, and was particularly helpful in extending hospitality and rendering assistance to those stopping at the hotel.

**Dr. D. B. Cragin**, medical director Aetna Life, who is chairman of the Medical Section, was present.

Each registrant had a **rose pinned on his coat lapel** the first day by one of the attractive young women at the registration desk.

Miss **Elsie Leavy**, assistant commissioner, and Miss **Ura Swan**, secretary to

Commissioner Daniel of the Texas department, greeted friends in the lobby.

The officials of the **Indiana companies** held a meeting at the close of the Thursday morning session.

**L. J. Dougherty**, president Guaranty Life, acted as bodyguard for J. W. Evans of Houston, director U. S. Chamber of Commerce, who brought greetings from that organization.

**J. B. Reynolds**, president Kansas City Life, founding father, first A. L. C. president and the only man who has been twice president, sat on the front row during the sessions.

President **A. M. Best** of the **A. M. Best Co.** came from New York and Vice-president **R. T. Smith** from Chicago.

**Lloyd Thomson**, actuary Indiana insurance department, who is very popular with actuaries and other officials, attended the meeting.

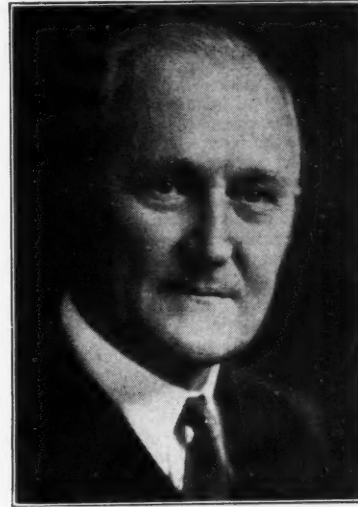
**John Marshall Holcombe**, of Hartford, manager Life Insurance Sales Research Bureau, was an attentive listener at the sessions.

Insurance Commissioner **George M. Biel** of New Mexico arrived Tuesday for the convention.

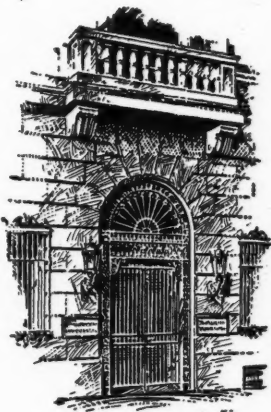
## Heads of Industrial Section



**F. M. NETTLESHIP**, Washington, D. C.  
New Chairman



**J. F. MAINE**, London, Ont.  
Retiring Chairman



## NEEDS CONTINUE, THO DOLLARS CEASE

Income derived from personal efforts must not only take care of *present* dollar needs, but provide for *future* dollar needs thru the acquisition of some form of property.

LIFE INSURANCE, as a property investment, answers this requirement more surely and more satisfactorily than the well known forms of investment such as real estate, stocks and bonds.

Our policies are especially designed for just such a program. They are adaptable to any and all circumstances.

## COMMONWEALTH LIFE INSURANCE CO. LOUISVILLE, KY.

**J. HERBERT SNYDER**, Vice President & Mgr. Agencies

## Public Plans Cost More Than Private

(CONTINUED FROM PAGE 2)

purposes and to improve status of employees. He asked if this does not subsidize group insurance as tax revenue the government anticipated will be used to maintain group insurance.

Belief was expressed by several discussants that the federal act either will have little effect or positively will stimulate sale of group insurance. Employers who desire to round out the federal program on an adequate scale will be compelled to secure the additional protection from life and accident companies. Mr. Brill said the act centers attention country-wide on the need for mass insurance protection.

### Helps to Meet Objection Held by Some Employers

An important factor, some believe, is in offsetting the disinclination of some employers to adopt group plans because such action might be considered as forcing the employer's dictates into the employees' homes. Federal adoption of this step, it was believed, will help to meet this objection.

There was some discussion whether reduced group production this year—more than \$385,000,000 group life in eight

months as compared to more than \$500,000,000 in the eight months last year—might have approached the saturation point. In the last five years the proportionate decrease in group master policies was considerably greater than decrease in number of corporations, one speaker said. There is perhaps greater saturation among large corporations—which are better prospects for group insurance, as they are more frequently solicited. A fertile field is in increasing the size of group policies in force, the speaker said.

### Finds Good Field in Less Than 1,000 Groups

He concluded there is still a good field, especially in corporations with less than 1,000 employees. He argued that prospects for companies just entering the group field are not bright, as larger companies with well organized, going group departments equipped to give excellent service have the advantage. About 50 to 60 percent of corporations have group insurance, one official said. Figures show about 15,000,000 of 26,000,000 workers calculated to be eligible to so-

cial security act benefits are covered by private group plans.

Chairman Brill called on an actuary of a large company, who said lesser group production this year is not a positive sign of saturation, as in his company's experience the latter part of the year usually shows better production. Chairman Brill noted a number of large groups written in the last three months.

Whether group service should be done by salaried company employees, or the responsibility be placed on agents was discussed. Generally, it seems, the better organized group writing companies handle the service directly. Some larger companies with salaried service employees make certain deductions from producing agents' commission for some of the service so rendered. Generally it is found preferable to coordinate the service work on a salaried basis, this being the most important feature of the business and requiring a detailed, systematic work program. Mr. Brill noted that in his company every group must be serviced at least twice annually. The service department has justified its existence and the money thus spent has been a good investment.

### Premium Distribution for Tax Purposes Is Taken Up

The question was discussed as to method of distributing premiums for the purpose of state premium tax in cases where the individual insured resides or works in more than one state.

Reserves for mass catastrophe claims were discussed with special reference to coal, lead and zinc mines, structural iron work, etc. It was said all group association companies now are setting up 2 percent of their gross premiums less dividends for catastrophes.

Experience under the "extended death benefit" clause which was required by insurance departments when the total and permanent disability provision was withdrawn, was taken up, it appearing companies have had scarcely enough time to draw off reliable experience.

Advisability of having a common renewal date on group life, group A. & H. carried by an individual employer, was stressed, due to the propensity to drop all plans when experience is bad on one. The employer looks upon all his group plans as one program.

### Use of Individual Policies for Group Is Not Liked

Various aspects of writing regular policies on a group basis, waiving medical in case of more than 50 lives, were considered. One possibility of adopting such a plan is that it competes with the agency force and might offset the writing of ordinary. One view was that cash and loan values in the ordinary contracts defeat the whole purpose of group insurance. A policy tentatively has been submitted to the New York department. It was proposed recently to meet the needs of certain brokerage firms that seemed to have demand for such coverage. Unquestionably, one speaker said, regular ordinary commissions could not be paid on such business—certainly not more than one-half usual commission. There are occupational complications. A chief objection, several speakers said, was active competition of company with agents.

### Much Trouble Is Seen in Writing in This Way

One company that has a few of these plans on the books is much troubled by the questions that have arisen over it. Larger companies have salary savings departments that accomplish the purpose without the objectionable features.

Proper limit for first year and renewal expense rates for group business was taken up, including amortization of first year expense. A speaker said little group is canceled in early years. Experience rating was another subject, it being said the difference in size of group must be taken into account in calculating expense charge.

Methods of handling claims occupied the members for some time. Claim

## Always Welcome



W. M. Dewey, manager of the Edgewater Beach Hotel in Chicago, who has a wide acquaintance among insurance men, made the trip to Dallas to mingle with his American Life Convention friends. He is regarded as one of the best hotel men in the country. The convention has gathered at his hostelry many times in the past and the prediction is it will meet there rather regularly in the future.

checks often are sent to producing agents so they may have a chance to sell other insurance. The particular method depends upon the locality and circumstances of the case. A representative of a large company said all methods have been tried and the preferable one is handling direct through the home office. Methods of minimizing the possibility of repeat claims under group accident and sickness were discussed. In case of doubt, general practice seems to be to favor the claimant.

The final subject was whether writing of group accident and sickness should be restricted to organizations with seasonal employment.

### Legal Section Luncheon

F. W. Wozencraft, former mayor and former attorney of Dallas, now general solicitor for the Radio Corporation of America, presided at the Legal Section luncheon and introduced the speaker, Judge W. H. Atwell of the U. S. district court at Dallas. Commissioners O'Malley of Missouri and McNair of Ontario were introduced.

There were seated at the speakers' table, F. W. McAlister, Kansas City Life; Allen May, General American Life; Allan Brosmith, Travelers; W. Calvin Wells, Lamar Life; J. C. Jones, Jr., of St. Louis, all former chairmen; S. C. Seabee, Midland Life; F. J. Wright, Midland Mutual, and Col. C. B. Robbins.

Judge Atwell is a former federal district attorney and at one time was national head of the Elks. In his talk he called attention that just 444 years ago to a day Columbus discovered America.

A supposed broadcast was put on during the luncheon by some of WFAM radio staff with Hyman Charnasky as master of ceremonies. Several current insurance hits were interspersed with talks before the microphone by some of the diners, C. G. Taylor, Jr., Metropolitan Life; Geo. E. Merigold, Prudential; Allan Brosmith, Travelers; C. F. O'Donnell, Southwestern Life, but their stuff had been prepared and was spoken by an interpreter.

## A Great Mid-Western Institution

Dedicated to unsurpassed service in everything  
pertaining to the business of Life Insurance—

And that especially includes thoughtful consideration of the problems constantly confronting the man with the rate book. We want more representatives, and invite your correspondence.

H. K. Lindsley, President  
J. H. Stewart, Jr., V. P.-Treas.  
F. B. Jacobshagen, Secretary

## The Farmers & Bankers LIFE INSURANCE COMPANY

WICHITA, KANSAS

"Policies that Protect"

1911 — SILVER ANNIVERSARY YEAR — 1936



## Investors Weigh Texas Securities

(CONTINUED FROM PAGE 4)

good investments in Texas but if sufficient opportunity is given groups to undertake this electrification expansion they declared they would meet it.

W. P. Coler, American Central, stated that undoubtedly life companies are willing to invest in securities of enterprises that will add to the comfort of mankind. It is difficult to qualify under the present Robertson law. He believes that bonds that come under the Robertson law should be tax reduction securities. Mr. Coler regards Texas mortgages as among the best. If there were more securities of the tax reduction character life companies would purchase them.

Nathan Adams, president First National Bank of Dallas, spoke on southwest railroad securities, saying that there are signs of improvement. The drouth has had effect on crops and animals but these periods are usually followed by those when there is sufficient moisture. The railroads in this section depend on the production and distribution of cotton, oil, agricultural products, industry and animals. Mr. Adams declared the country is safe and with better atmospheric conditions he sees an era of good times. The railroads are offering more satisfactory service and their equipment is being modernized. The speaker urged a new national policy for railroads so that they will have a chance to live. All transportation carriers, he said, should be on an equality.

R. L. Foster of Toronto spoke briefly on the social credit legislation of Alberta through the influence of Premier Eberhart. He stated the Dominion was willing to have this province used as an experiment station for this type of laws, knowing that they were fanciful. More recent acts, he said, were more formidable and the federal government may have to intervene.

### Investment Status of Texas Municipals

Donald O'Neil, head of his own investment house, spoke of the investment status of Texas municipals. He stated so far as the more important localities are concerned there has been no default. He thinks that Texas municipals are not rated high enough.

Southwestern farm mortgages were discussed by two officers of Texas companies—Harry L. Seay, Jr., treasurer Southland Life, and T. M. Lucas, loan officer Southwestern Life. Chairman Wade, a son of the late Harry Wade, who served with distinction as president of the United Mutual Life, introduced another son, Seay, Jr., whose father is president of the Southland Life and is a former A. L. C. president. Another son of a distinguished father, A. B. Cunningham, becomes secretary of the Financial Section. Both speakers dealt with Texas farm mortgages. Both divided the state into zones and where loans are desirable, recommendations were made as to a loan policy. Mr. Lucas told the limits he sets on farms in various sections ranging from \$5 to \$40 an acre.

H. L. Seay, Sr., said there are better prices in Texas. This has enabled the farmers to discharge their obligations more freely. Earl Wightman, Lincoln National, said his company uses FHA loans but it does not rely entirely on government guarantees.

### Twisting Loans Is Now Indulged In

Mr. Murray in discussion said any loans on an 80 percent basis as practiced by the FHA are unsound. It is impossible, he said, to service a loan on the basis of 1½ percent on a diminishing balance. He urged one correspondent in medium sized points for medium sized companies.

W. T. Grant, Business Men's Assurance, brought up the practice of "twisting" loans by some one offering a lower

interest rate. It brings no new business. Mr. Murray said it meant bidding up on amount and bidding down on interest rate. This condition prevails because of so many correspondents all striving for business. Fewer and stronger correspondents would improve the situation.

In the discussion it was brought out that some companies have periodical inspections made of property on which loans are made. W. P. Coler, American Central, announced that some conference has been held with the American Service Bureau to see if it could undertake work of this kind.

### Discussion Is Heard on Texas Farm Loans

There was considerable interest in the discussion of the present farm loan situation in Texas. Harry L. Seay, Jr., treasurer of the Southland Life, presented a paper on the subject stating that naturally the drouth areas had to be taken into consideration. Some land in the Texas drouth zone is not suitable for farming.

There are great areas divided into smaller farms which are very productive

and good crops are usual. Then there are the ranch sections. The smaller farms are in north and central Texas. Ranch property is quite different, he said, from the average farm. The great danger to ranch property, he said, is overgrazing. The expense of maintenance is high. However, there are a number of ranches that are prosperous.

Under normal circumstances Mr. Seay concludes that farm paper in Texas should be a desirable investment for insurance funds. The Farm Loan Bank, federal farm loan commissioner, Agricultural Credit Corporation and other governmental agencies have become a real factor in farm investments. Mr. Seay said that life companies should look to the best terms they can afford to give if they are to maintain themselves in the farm loan market. The values on which loans are made, he asserted, should be based on an average return over a period of years.

Mr. Seay believes the cheaper farm money now available has come to stay and at least as long as money is cheap in other lending fields, the life companies must offer terms which they believe can compete in this field.

Harry V. Wade, assistant to the president of United Mutual Life of Indianapolis, opened the meeting of the Finan-

(CONTINUED ON NEXT PAGE)

## Financial Speaker



HARRY L. SEAY, JR., Dallas, Tex.  
Treasurer Southland Life

## Over A Hundred Million In Three Years

During the past three years—1933 to 1936—total production on two contracts, \$109,343,342.00 of which \$11,741,752.00 was new business.

If any Insurance company is interested in securing new business in connection with a conservation program, the above figures demonstrate beyond question this is the outstanding organization in this line of work. We work entirely as your agents.

The "Service" Company that has persistently maintained in the field during the past eight years an experienced group of financially responsible agents capable of securing a large percentage of new business, and reinstatements in conjunction with rewritings and exchanges.

"CASH WITH EVERY APPLICATION"

REWRITING NEW BUSINESS REINSTATEMENTS

C. D. DeBARRY & CO.  
LIFE INSURANCE

ADJUSTMENTS—SALES—CONSERVATION

222 West Adams Street  
CHICAGO

## That necessary "sales-clincher" is in *this* selling kit

¶ Policies to fit all personal and economic needs as well as known and even anticipated conditions of prospects are found in the American Savings Life selling kit. Here are thoroughly up-to-date and modern policies—most liberal in coverage and interpreted with the interests of the policyholders foremost.

¶ Fortunately, they cover life, accident, health and give our agents a *complete* and varied line of attractive policies.

¶ Best of all our men work under a very different and exceedingly generous "Square Deal Agency" contract that will be especially interesting to you.

¶ All this backed up with sincere personal help and friendly home office cooperation provides an unbeatable "sales-clincher." It will help you, too.

• [If interested in such a connection in middle west territory write J. T. Mayall, Vice-President] •

### AMERICAN SAVINGS LIFE INSURANCE COMPANY KANSAS CITY, MISSOURI

R. S. Tiernan, President

## Are You Interested in Territory in—

- |                                   |                                   |                                    |
|-----------------------------------|-----------------------------------|------------------------------------|
| <input type="checkbox"/> ILLINOIS | <input type="checkbox"/> KANSAS   | <input type="checkbox"/> IOWA      |
| <input type="checkbox"/> INDIANA  | <input type="checkbox"/> MICHIGAN | <input type="checkbox"/> NEBRASKA  |
|                                   |                                   | <input type="checkbox"/> MINNESOTA |

Name .....

Address .....

City and State .....

**ROCKFORD LIFE INSURANCE CO.**  
Rockford, Illinois

cial Section of which he was the chairman, with the suggestion that life company executives refrain from publicizing rate increases and dividend decreases, coupled with statements about economic conditions, low interest yields, etc. Such publication, he contended, causes unnecessary disturbance in the minds of policyholders. Assured, he argued, are interested only in whether their policies are safe. They should not be given the impression that life insurance is buffeted about by every economic wind but that it stands like the Rock of Gibraltar.

C. D. Simmons, investment officer of the University of Texas, gave a paper on Texas municipals. After going into some detail, he concluded that the outlook for Texas municipal bonds is most promising. He placed the greatest emphasis on the fact that Texas is a great and growing state. This overshadows all other considerations, he declared. He said that investors must scrutinize carefully the situation in the individual political subdivisions but that the situation as a whole is improving greatly. Investment people will doubtless want to peruse Mr. Simmons' paper carefully.

#### Murray Urges Use of Common Loan Correspondent

Owen M. Murray, head of the Murray Investment Company of Dallas, urged the companies to band together and use a common loan correspondent rather than for each company to insist upon having its own correspondent. Such a course would tend to develop strong loan correspondents throughout the country rather than a multitude of weak ones, engaging in ruinous competition. He said that a loan correspondent in the average community should receive not less than 1 percent of the interest received from the loans. He declared that the relationship should be mutually profitable and that the life insurance companies should have the objective of building lasting relationships with their correspondents.

Texas municipals were strongly championed in the address of Donald O'Neil, head of the Donald O'Neil Investment Company of Dallas. He contended that Texas securities have been maligned by the various rating services because Texas has been regarded as a southern rather than a western state. He said that Texas is really a western state and should be regarded as such. He emphasized the great resources of Texas and the potentialities in the state.

Manager W. M. Dewey of Chicago's Edgewater Beach Hotel mingled with the conventioners. It is safe to say that hereafter the A. L. C. will have its annual gatherings at his hostelry.

#### Members of the Big Dallas Committees at Convention

Those who served on the four important local committees—executive, finance, entertainment and reception—were:

Executive, Harry L. Seay, president Southland Life, chairman; C. F. O'Donnell, president Southwestern Life; E. Greenwood, president Great Southern Life; D. E. Waggoner, vice-president and general manager United Fidelity Life; Earl B. Smyth, president Fidelity Union Life.

Finance, C. F. O'Donnell, president Southwestern Life, chairman; A. Morgan Duke, president Gulf States Security Life; Earl B. Smyth, president Fidelity Union Life.

Entertainment, D. Easley Waggoner, vice-president and general manager United Fidelity Life, chairman; C. E. Linz, vice-president Southland Life; Arthur Coburn, vice-president Southwestern Life.

Reception, L. S. Adams, executive vice-president Great Southern Life; A. F. Ashford, vice-president and general manager Western Reserve Life, San Angelo; Burke Baker, president Seaboard Life; R. W. Baxter, president Grande National Life; Charles E. Becker, president Great American Life, San Antonio; E. P. Bennett, president Republic Life, Dallas.

#### Golf Tournament Results

The annual golf tournament was played at the Brook Hollow Golf Club with Henry Abels, vice president Franklin Life in charge. The results were:

First flight, winner, L. Kalmbach, second vice-president Lincoln National Life; runner up, Henry Abels, vice-president Franklin Life.

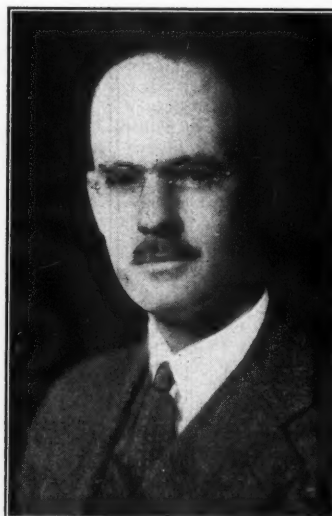
Second flight, winner, Charles E. Becker, president Great American Life of San Antonio; runner-up, H. G. Royer, president Great Northern Life.

Third flight, winner, J. C. Higdon, vice-president Business Men's Assurance; runner-up, L. S. Brooks, Retail Credit Co., Atlanta.

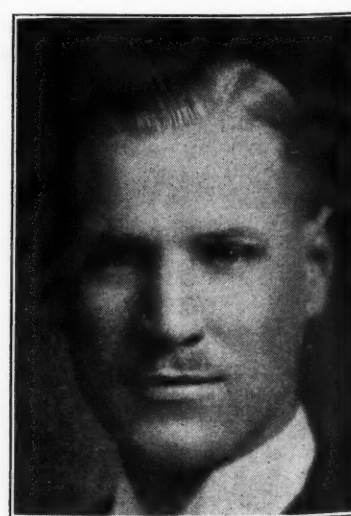
Low gross, Mr. Kalmbach; second low gross, Mr. Abels; low net, C. C. Weichsel, vice-president and treasurer, Great National Life of Dallas; second low net, E. G. Brown, vice-president and actuary Southwestern Life of Dallas; low putting score, Mr. Kalmbach; second low putts, Mr. Royer.

O. J. Lacy, California-Western States Life, was chairman **Financial Section nominating committee**, the others being J. E. Reilly, Old Line Life, and D. T. Torrens, Kansas City Life.

## Two Canadian Speakers



R. LEIGHTON FOSTER, Toronto  
Canadian Life Officers



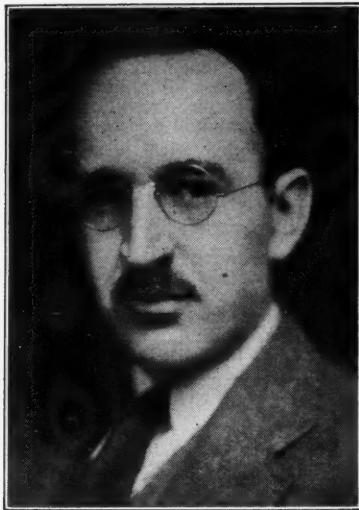
HARTLEY D. McNAIR, Toronto  
Ontario Insurance Superintendent



## Legal Section Officials



**SAM B. SEBREE, Kansas City**  
Retiring Chairman



**FRANCIS J. WRIGHT, Columbus, O.**  
New Chairman

## Social Security Acts Are Scanned

(CONTINUED FROM PAGE 4)

would stand or fall on its own merits. The act has not yet been challenged. Frank G. West, Reserve Loan Life, told of the Indiana law which became effective in March. Monthly contributions are required from all groups of eight or more employees. Insurance agents and brokers on commission are deemed independent contractors. The employees contribution must give 50 percent of the employers contribution but never over 1 percent of wages. S. S. Goldman, Pan-American Life, discussed the unemployment compensation statute which will be presented to referendum in November. As yet it is not in effect. Merit rating is provided. He believes the drafters intended commission agents to be covered.

### Metropolitan Man Tells About the New York Law

A paper prepared by J. I. Collins, Metropolitan, on the New York act was read. The act is similar to that of Wisconsin but calls for pooled old age and unemployment compensation reserves, rather than segregated. Three cases relating to insurance agents—branch office, general agency and combination—were submitted to the attorney-general and the ruling is pending. Degree of control of agents, as to hours of work and on whom to call is an important factor in setting up an independent contractor status. Constitutionality of the unemployment compensation act ruled by court is on appeal to the U. S. Supreme Court.

A. M. Lumpkin of Columbia, S. C., discussed the statute of his state. It is the so-called uniform statute. Soliciting insurance agents on commission are not covered. He said the problem is before the American people, to be settled nationally or on a state-wide basis.

Life insurance he said, should lend its help and make the foundation of social security sound.

W. Calvin Wells, Lamar Life, Jackson, Miss., raised a point noted by the attorney-general of his state, as to what purpose could be achieved by a state ruling life agents on commission were excepted, if the internal revenue bureau should rule such agents were subject to the tax under the federal act. The point is up in Washington for ruling by the bureau, Mr. Wells said. If the state should fail to comply with federal rulings the 90 percent deduction

in tax would not be credited to employees of the state. Pending the federal ruling there is no express provision regarding soliciting agents. New agency contracts are being rewritten setting forth the commission agent specifically as an independent contractor not subject to regulation by the company.

In the business session of the Legal Section revision of the rules was adopted, creating associate membership, to which non-members of the A. L. C. will be eligible. They would be entitled to the floor but not to vote nor to hold office. The original rules were drafted in 1906 and never since were amended. The purpose was to bring the Section's rule in line with those of the other sections.

### Kastner Presents Review of Developments of Year

Ralph H. Kastner, associate counsel American Life Convention, presented a well-organized review of the year's happenings so far as legislation and departmental action is concerned. Special interest was displayed in his analysis of the new radical legislation in the province of Alberta, that strikes the investor farther below the belt than any of the debtor relief measures that have yet been enacted. Mr. Kastner obviously had prepared his report carefully, so as to give a concise but informative presentation. Too often these legislative reviews before various organizations are a dreary array of figures on the number of bills introduced during the year on various subjects, the number that passed, the number that failed, lengthy analysis of bills that failed as well as those that passed, etc. Mr. Kastner's review was a happy contrast to that sort of thing.

### R. Leighton Foster Talks on Uniformity in Legislation

"Compromise Settlements with Executors, Administrators and Guardians" was the subject of a paper by Joseph D. Frank, associate general counsel Lincoln National Life. After citing a number of legal decisions, he emphasized the necessity and importance of scrupulous care in dealing with minors, incompetents, estates of decedents and their legal representatives.

So far as uniformity in legislation is concerned, Canada has entered upon a second 10-year term, according to R. Leighton Foster, who addressed the meeting of the Legal Section on "The Canadian Law Respecting Beneficiaries." Mr. Foster was formerly insurance superintendent of Ontario and is now general counsel for the Canadian Life Insurance Officers Association. He said

## Greeting to A. L. C.

The Institution of Life Insurance includes in its wide scope of activities a number of outstanding, helpful organizations. High among them, and of great importance, is the American Life Convention. To this organization, as it assembles at Dallas, Texas, we extend felicitations.

Past years have demonstrated the soundness, the value, the Service of Life Insurance.

In keeping with the best in Life Insurance, stands the record of the INDIANAPOLIS LIFE INSURANCE COMPANY, a Mutual, Legal Reserve Company.

It now looks back upon thirty-one years of progress and of strict adherence to the original principles of "Furnishing Life Insurance at the lowest cost consistent with safety" and "KEEPING QUALITY, SERVICE and SAFETY FIRST."

## REMARKABLE RECORD DURING DEPRESSION YEARS

From December 31, 1929 to December 31, 1935

ASSETS INCREASED ..... 64.5%  
SURPLUS INCREASED ..... .86 %

and in addition, the Company paid \$9,889,063 to Policyholders and Beneficiaries during these years.

1936

ASSETS are now the LARGEST IN COMPANY'S

HISTORY, and exceed.....\$17,800,000.00

INSURANCE IN FORCE INCREASED..... 2,274,946.00

from January 1, 1936, to August 31, 1936, making

Total Insurance in Force..... 98,031,207.00

## LOOKING AHEAD

In keeping with the great opportunities for the business of Life Insurance now and in the future, the Indianapolis Life, with its complete kit of policies and sales tools, its methods of field training and assistance, and its constant aim of "QUALITY, Service and Safety First" looks forward to an ever increasing sphere of sound growth, USEFULNESS and SERVICE.

## INDIANAPOLIS LIFE INSURANCE COMPANY

Indianapolis, Indiana

Edward B. Raub, President

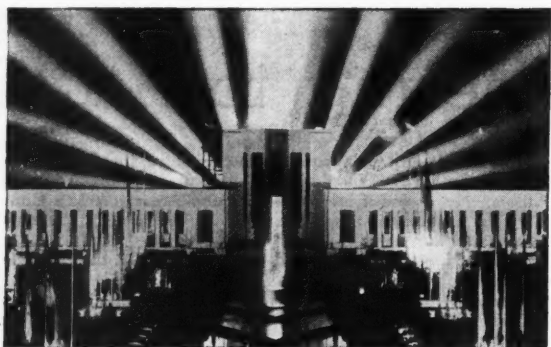
A. H. Kahler, Supt. of Agents

Agency opportunities in sections of the following states:  
Indiana, Illinois, Ohio, Texas, Iowa, Michigan  
Minnesota, North Carolina, California and Florida.

WE extend cordial greetings and a hearty welcome to all in attendance upon the sessions of the American Life Convention.

We hope that your stay in our city will be pleasant and that you will enjoy our great Centennial Exposition to the fullest.

**FIDELITY UNION LIFE INSURANCE CO.**  
Dallas, Texas



Hall of  
State  
Texas  
Centennial

## The Southland Life Insurance Company

Welcomes

The American Life Convention  
to Dallas, Texas and the Centennial

## SOUTHLAND LIFE Insurance Company

Harry L. Seay, President.  
Home Office . . . . Dallas, Texas

## Kentucky Home Mutual Life Insurance Company

Louisville, Kentucky



A Purely Mutual Company

Offers Policies for Men, Women and  
Children

Invites Correspondence from  
Producers

Operating in Kentucky, Ohio, Indiana,  
Tennessee and Florida



Ellsworth Regenstein, President

L. C. Cortright, Vice-President

that this year a number of amendments became effective in most of the provinces and it is hoped that these may stand for another 10 years without change. Until this year the laws and amendments have been uniform in eight of the nine provinces. Then changes were made uniformly in all those provinces. Changes that will be proposed from time to time will be discussed and then put on the shelf, waiting the time when it will be found desirable to have a general overhauling in all the provinces. He said there is every reason to believe that stability and uniformity in the Canadian law respecting beneficiaries can continue to be successfully maintained.

"Right of Insurer to Offset Mortgage Debt Against Disability Income Benefits as Affected by Exemption Statutes and the Subsequent Bankruptcy of the Insured" was the breezy topic of a paper given by A. B. Scott, counsel of the Atlantic Life, before the meeting of the Legal Section. That is, for lawyers, a breezy topic. For anyone less than an L.L.D., it is not recommended reading.

Probably the outstanding paper at the Legal Section was that given by O. F. Grahame, assistant secretary of the Guardian Life, on "Dispositions Under Supplementary Contracts." The subject is one of immediate importance and one for which it is becoming increasingly recognized that a solution must be found, with the great increase in funds left with companies under settlement options.

## Spirit of Public Service Essential

(CONTINUED FROM PAGE 3)

ment purposes. Consequently, life agents swung into line with this conception and companies followed by devising all kinds of investment contracts. However, he declared, the motives influencing the buying of insurance during the war period represent the real purposes and ideals of the business.

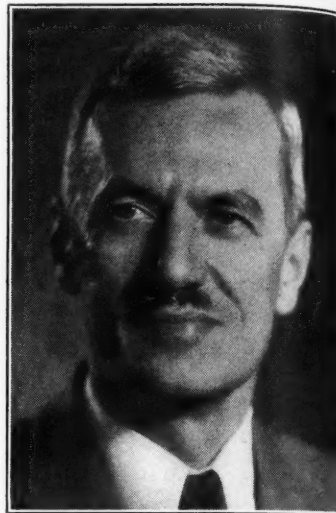
### Public Now Needs Another Awakening

Although conditions are now improved, Mr. Harris attributed the lack of increase in purchase of new life insurance to the fact that the public have not been made fully aware of their need for insurance and they need an awakening such as they had between 1914 and 1920. Life insurance men explain this by saying people are paying off their debts and having a good time after long privation. However, he said, it is time people considered the debt owing their families and it is the task of life agents to bring that fact to the public. It is estimated 4,500,000 men in the United States and Canada will reach age 65 within the next 10 years, the great majority of them to become dependents on others. It is not until the public can be stirred to realization of such facts, to appreciate them as personal hazards, that the business of life insurance will go forward. Agents should fully understand the social effect of their work. An agent in a small community who has, say, \$3,000,000 of insurance in force, should consider himself a benefactor to his fellow citizens.

### Life Insurance is a National Asset

Evaluating life insurance as a national asset, Mr. Harris presented an imposing array of figures showing that the institution in the past few years has contributed more to the general welfare of the public than all the relief agencies and other benefits of the federal government. Benefits from life insurance, excluding loans, have averaged \$3,000,000,000 per year for the past four years. In Canada from 1930 to 1935, he said, total relief expenditures amounted to \$528,000,000. In the same period, life insurance benefits amounted to \$986,000,000, or 86 percent more than all relief payments combined. During the same

## Iowa Leader Heard



E. M. McCONNEY, Des Moines  
Vice-President and Actuary  
Bankers Life

period in the United States, while the national debt due to various forms of public assistance increased 10½ billion dollars, life companies paid out in benefits approximately 50 percent more. One important point, Mr. Harris said, is that the increase in national debt will have to be paid by posterity while life insurance benefits are absolute payments. These benefits do not include the tremendous loan accommodations of life companies, granted during the years of greatest hardships. This record, he said, is the greatest testimony to the value of the business to the nation.

### Life Companies Have Not Needed Aid

Mr. Harris scoffed at the claims of the present administration that the insurance business had been aided greatly through difficult times by federal loans. He pointed out the assistance given to life companies was trifling, total advances being only \$43,000,000. This is little more than one-half the amount now paid annually by the companies in taxes, of which more than 94 percent goes to general public purposes. It is apparent, he said, on which side the obligation lies. Furthermore, what small assistance life companies were given arose through their performing an important national service in assuming banking functions for which they were not organized and which they had never contemplated. In Canada no company was given aid of any kind.

Mr. Harris emphasized that while the material values of life insurance are great, moral and ethical values are likewise important. Life insurance is purchased more or less at a sacrifice and premiums constitute, in effect, self imposed income taxes. Benefits thus preserve homes and have a direct effect on communities and society at large, by eliminating many public and private charges. The social value of the policyholder has also another aspect which is often overlooked. From his premiums are derived the assets of life companies which are invested, under regulation, in channels that promote national welfare. The premium payer therefore becomes a double servant of the state, for he is not only protecting himself and his dependents against public dependency, but is an investor, through the company, in established institutions such as agriculture, business, transportation.

In a still broader sense, Mr. Harris said, life insurance promotes sound and responsible political thought, a corrective of radical tendencies and abuses incidental to individualism. While the average policy in this country is only about \$2,300, the policyholder's share in



Heard

assets being about \$375, this small holding is sufficient to make its owner a capitalist and gives him a feeling of superiority that comes of owning property. The downtrodden feeling that comes of impoverishment is therefore generally the difference between a healthy social outlook and radicalism. Such attacks as are made on the business from time to time will be made ineffective by the public itself as it becomes better informed. Increased knowledge will protect the business, and life agents can do their part in developing the proper attitude on part of the public.

"In every phase of its operation," Mr. Harris concluded, "life insurance is interwoven with the public welfare. The removal of insurance at present in force from the protection of the people, or even its reduction to levels of a generation ago, would be a calamity to them and would have consequences so great as to change entirely the complexion of our social order. Likewise, removal of the assets which support this insurance would be a disaster sufficiently great to shake the whole national economic structure."

### Higdon Suggests Guarantee System to Aid Persistency

(CONTINUED FROM PAGE 3)

he said, can be developed in the activities of the sales department. Agents can be informed as to the proper type of business to go after. An agent, for instance, can be encouraged to write more business on the annual basis if he is furnished with a model sales presentation along those lines. Greater production credit for annual premium business will add inducement to using this plan.

Similarly, by allowing a larger commission where cash accompanies the application, more business will be written on this basis. Mr. Higdon stated it is possible to have as high as 40 percent of new business written with payment of proceeds under an income settlement option, and directing sales efforts along these lines will produce better persistency of new business.

### More New Business Can Reduce Costs

So far as volume is concerned, it is possible a substantial increase in new business, if handled with negligible increase in overhead expense, even though persistency is less favorable than average, may so reduce the overhead cost per \$1,000 of new business that the ultimate result is to increase profits. Conversely, a small amount of business of poor quality, loss of which will not materially increase overhead cost per \$1,000, may be eliminated with a noticeable improvement in profit. However, the opportunity for growth in life insurance lies in the direction of expanding the market rather than in restricting it. Mr. Higdon said that the aggressiveness displayed by salesmen in developing the market for new automobiles, if employed by life agents, might have diverted at least some of the money used to purchase new cars, electric refrigerators, air conditioning units, etc.

There is a very definite association between volume of business and favorable persistency rate, Mr. Higdon said. A recent investigation showed that agents with a renewal ratio of 95 percent or better showed an average production three times as great as agents whose certain renewal ratio was only 50 percent. The very conditions resulting in favorable renewal experience on new business are thus an outgrowth of those practices an agent is urged to cultivate in order to be a more successful producer. The agency department's activity in training agents for quantity production, in most instances, also trains them in producing business that stays on the books.

The problem of the selection of new men is still a puzzling one, he said, but the current of public opinion is being moulded in such a way as to hasten the

### Absent, But His Paper Was Convention Feature



C. C. FERGUSON, Winnipeg  
General Manager Great-West Life

elimination of the incapable salesman. When information on the subject of selection of agents is as definite as knowledge of the factors affecting persistency, agency departments can then take a forward step in that direction. Just as a successful farmer must take various conditions into account in operating his farm, so the agency officer must study conditions in the territory in which he is working, type of prospect his salesmen can best interview, and provide favorable influences rather than to attempt to create a standardized machine whose operation and results are entirely mechanical. Thus development must be gradual and results must in the future come up to expectations if the management of a company is to be convinced that agency expenditures are a good investment.

### Schuppel Declares Present Methods Must Be Refined

(CONTINUED FROM PAGE 3)

agents may have boundless faith in the business, the public forgets quickly and their memories must be refreshed through the field force.

Though the agency system has not done as good a job as it should, its accomplishments are nevertheless great. Without any help from "politicians or uplifters," life insurance has decreased pauperism 33 1/3 percent in the United States in the last 35 years. Last year it paid out over \$2,900,000,000, of which \$2 out of every \$3 went to the living, and seven-eighths of all the money left to families comes from life insurance, all these benefits coming from a meager 3 percent of the average American's investment dollar. Therefore, while the job hasn't been 100 percent perfect, there is no justification for permitting social misfits to attack the institution without raising a voice in its defense.

### Business Changed During the Last Five Years

Mr. Schuppel outlined some of the problems that have radically changed the business during the last five years. First, the volume of new paid business decreased alarmingly, in sharp contrast to the year-by-year increase which companies had grown to expect would go on forever. The quality of new business was not up to par. Further complicating the situation, a sharply increased demand for policy loans made it necessary to curtail new investments and in some instances to liquidate those already made. This came at a time when prime investments were available and the in-



To the  
**AMERICAN LIFE CONVENTION**  
we extend a cordial welcome

While in Texas why not visit  
Fort Worth and the Frontier  
Centennial Celebration

**STATE RESERVE LIFE**  
"the Company of character"  
in TEXAS at FORT WORTH

The growth of the Massachusetts Mutual is a story of 85 years of increasing service. The ideal of the founders to make the Company particularly a policyholders' institution has always been closely adhered to, and throughout the country the name Massachusetts Mutual has become a synonym for quality and excellence in life insurance.

...

**MASSACHUSETTS MUTUAL LIFE  
INSURANCE COMPANY**

SPRINGFIELD, MASSACHUSETTS

Organized 1851

**Achievement—**

**An Increase of \$32,955,901.00 Insurance in force during 1935.**

**Excellence—**

**The prestige that arises from financial stability and years of fair dealings is enjoyed by each Anico representative. Practical and attractive selling features open new avenues of business and complete the equipment of the men in the field.**

**Power—**

**\$554,328,732.00 Insurance in Force.**

**\$56,326,868.37 in Assets and \$11,572,911.56 in Surplus on December 31st, 1935.**

**Plans—**

**Extension of Agency development in both old and new territories.**

*Ordinary and Industrial*

## AMERICAN NATIONAL INSURANCE COMPANY

**Galveston, Texas**

W. L. Moody, President

W. L. Moody, III, Vice President  
W. J. Shaw, Vice Pres. and Sec'y.  
J. B. Mills, Vice President  
E. L. Roberts, Vice President  
In Charge Ordinary Agencies  
Western Division

B. Werkenthin, Vice President  
F. B. Markle, Vice President  
E. A. Rees, Manager, Industrial Department  
White L. Moss, Supt. of Agencies  
Ordinary Department  
Eastern Division

# COMPETITORS

## But Sportsmen

Rivalry between insurance companies is probably as keen as any competition in the world, but it is dominated by the spirit of good sportsmanship.

As we attend the meetings of the AMERICAN LIFE CONVENTION and note the cordial relations between its members, the genuine friendship, the mutual interest, the occasional touches of chivalry and comradeship, we have come to feel that the institution of life insurance has grown to have as much sportsmanship as sport itself.

## ATLAS LIFE INSURANCE COMPANY

**Johnson D. Hill, President**

**TULSA, OKLAHOMA**

vestment market was depressed. Then the volume of insurance in force began to decrease and went off the books faster than new business could be secured to replace it.

Unfortunately, he said, acquisition costs did not decrease in proportion, resulting in general increase in expense of securing business. The uncertainty of the money market, with its constant fluctuations, has made it virtually impossible to determine safe investments. Mortality, particularly during the depression, showed an increase as a result of the pressure. The agency department, Mr. Schuppel said, suffered probably more than any other from all these factors. Agents found it more and more difficult to make a living, general agents found it harder to recruit good new men and agency departments were up against it in finding qualified new general agents.

He noted two factors, however, on the favorable side of the ledger. The institution of life insurance very noticeably began to be more highly regarded by the public than ever before. The public also began showing distinct preference for the qualified agent and to be much less tolerant of the misfit. While this, in itself, was a great forward step, it was somewhat nullified because as soon as the institution began to grow in public favor, opportunists and racketeers immediately seized the opportunity to concoct and launch crack-pot schemes which promised everything for nothing. Mr. Schuppel particularly referred to the illusions the public has in regard to the federal social security program.

### New Business Must Be Better

He advocated several definite steps through which these problems can be met in the future. To begin with, he said it must be recognized that conditions are improving, that there is an increasing demand for new life insurance, and that therefore it is up to the agency department to publicize that fact to the field so that agents will regain their confidence in the business. Although most agents are aware of the upturn, many do not realize they have acquired negative habits during the depression which must now be cast off. Sales procedure is now due for a revamping and it needs, to be streamlined to penetrate the consciousness of the public and motivate the buyer.

In going after new business, he emphasized it must be better business. During the next five years, management of all companies must give some real attention to what the agency department accomplished from a quality standpoint. More and more there will be a direct

application of the so-called quality rating index and there must be a joint responsibility in properly training field men to appreciate quality factors and promote them vigorously.

Mr. Schuppel pointed out that management looks today on the agency department as a much more important part of the company. Today its scope and province not only includes the sale of new life insurance, but embraces such broader services as conservation, service, public relations, etc. Quality manpower must therefore be built up because more than half the total management expense is undoubtedly represented by expenditures in the sales department. This tremendous expense can no longer be regarded as merely for the purpose of securing a certain volume of new business. One of the most immediate steps necessary is to develop proper technique in attracting the right kind of men. There must be greater help from management in devising and establishing proper routines, new and effective methods and correct sales habits. Management has a joint responsibility to the men in the field. They must be properly compensated so they can make a decent living and maintain positions of responsibility in their communities.

### Method of Compensation Has Many Weaknesses

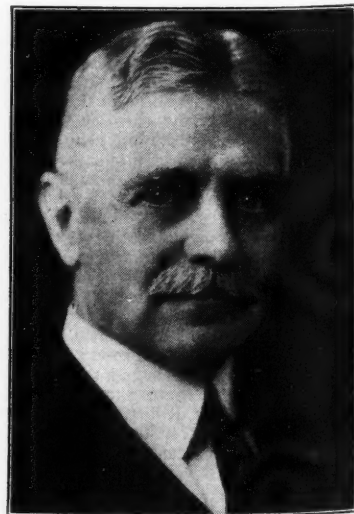
Mr. Schuppel declared that present methods of compensating agents leaves much to be desired. An intelligent study must be made of the subject from all angles. The big question is why should life companies pay the same compensation for unprofitable business as they do for the profitable? No other business does. He suggested that perhaps the renewal commissions system needs some study. He brought up the question whether renewal commissions should be considered the first year compensation, or service commission. The matter of old age security, he said, is also important and perhaps a system of pension for the field force is worthy of study.

While praising the accomplishments of agents in the past, there are still too many misfits in the business and management must join with the agency department in training those who are teachable and getting rid of those who are unable or unwilling to qualify themselves. It must be frankly recognized, he said, that there is a rising wall of public disapproval because of the incompetence of the few, which is retarding the progress of those qualified. Therefore, management and the agency department must provide complete cooperation and support in aiding the leaders in the field to correct this evil.

## On the Executive Committee



**HARRY R. WILSON, Indianapolis**  
Vice-president American Central



**JULIAN PRICE, Greensboro, N. C.**  
President Jefferson Standard



## Presides at the Group Insurance Round Table



EMIL E. BRILL, St. Louis  
Vice-President General American Life

## Varied Features at First Session

(CONTINUED FROM PAGE 2)

unemployment situation is solving itself. He predicted that there would be no major war in Europe for years to come. The united will of the people, he added, is against it. He also prophesied that some nations during the next six months will start paying off war debts.

Unfortunately Mr. Evans rambled too long and interrupted the flow of welcomes as the room had to be vacated at noon for the Rotary Club luncheon. H. S. Nollen, president Equitable Life of Iowa and brother of the presiding officer, was chairman of the Life Presidents Association committee and its spokesman. He introduced his confrere, Geo. E. Merigold of the Prudential. He also presented General Manager V. P. Whitt and Actuary Bruce Shepherd. Mr. Nollen expressed the opinion that it was beneficial to have two company associations, thus allaying any suspicion that the industry was monopolistic. He thinks it unfortunate that economic problems can not be discussed judiciously without becoming political issues. During most of the time he was speaking there was the utmost confusion with the waiters bringing tables for the luncheon and the Rotarians crowding the rear of the room and talking.

### Further Felicitations Were Extended

At the start of the Wednesday afternoon session, R. Leighton Foster of Toronto, general counsel Canadian Life Insurance Officers Association, brought a word from his group. This was the third time he had appeared at a general session, the first being 10 years ago and the next five years ago. He referred to the action in Alberta giving the province authority to reduce rate of interest on provincial bonds and also readjust mortgage interest. He believes that the commission appointed to ascertain Alberta's capacity to pay will work out the problem satisfactorily.

Foster F. Farrell, executive secretary National Fraternal Congress, represented his body.

Alex E. Patterson of Chicago, president National Life Underwriters Association, received an ovation as he went forward. He was accompanied to the meeting by Manager Roger Hull, O. Sam Cummings of Dallas, vice-president of the association, and some Dallas general agents. Mr. Patterson stated the agents appreciate their responsibility to

the companies. He outlined the objectives he has formulated for his administration. He spent considerable time in expressing his views on the agency practices agreement which provides for only whole time agents in points over 50,000 of population and the elimination of the unfit everywhere. He declared that it will mean better trained field men and will enable those in the business to earn more. Good mortality, he remarked, is the result of good agents. House cleaning of unproductive contracts will not result in less volume of business, he remarked. More attention given to whole time agents, he asserted, will yield good returns.

### Set Papers at the Afternoon Session

John J. Pelley of Washington, D. C., president Association of American Railroads, was the first formal speaker of the afternoon session. He is a practical railroad man, having come up through the ranks. Before taking his present position, he was president of the New York, New Haven & Hartford. He gave facts and figures about the railroads.

R. L. Daniel, Texas insurance commissioner, brought greetings from the commissioners' association.

H. D. McNairn, Ontario insurance superintendent, told of the development of the uniform life insurance laws of the Canadian provinces. He treated the question from an historical standpoint. They went into effect last July 2.

E. M. McConney, vice-president and actuary Bankers Life of Iowa, interspersed his talk on "Modernism in Life Insurance" with some witticisms and sparkling gems. He brought in some of the characters of Gilbert & Sullivan's "Mikado" to illustrate some of his points. At the close of his talk, Mr. McConney was obliged to rise twice after he sat down so prolonged was the applause.

One of the highlights of the week came in the first general session in the presidential address of G. S. Nollen, head of the Bankers Life of Iowa. This was a treatise on economic problems that are affected by political action. Mr. Nollen's thesis was that life company executives in their outlook upon national economic affairs should use the same powers of analysis that they use in analyzing the internal setup of their companies. They should not be transported by political ballyhoo, catch phrases, invective, etc., but should undertake to reach conclusions and act upon them just as they do in reaching every day problems of management in the company. Mr. Nollen's treatise was decidedly non-partisan. He gave some comfort to the Democrats and some to the Republicans and in some passages he made both parties squirm.

In giving the report of the manager at the opening session, Col. C. B. Robbins related some of the activities and happenings during the year of special interest to members and he summarized some of the important events of interest to life insurance in general. He recalled some of the important court decisions, federal and state legislation, interest rate situation, etc. The membership of the A. L. C. is the largest since 1931 with a roster of 139.

### Railroad Situation Is Given by President Pelley

President J. J. Pelley of the Association of American Railroads was on from Washington and he covered in a general way the railroad situation and its probable future. He declared that they will continue to be the essential backbone of commerce in this continent and will continue to be the essential agency of transportation. Mr. Pelley declared there is a growing recognition on the part of the public that government subsidy to competing forms of transportation adds to the burden of the taxpayer and that by diverting tonnage and reducing volume, the necessary cost of essential railroad service is increased.

Mr. Pelley finds that the railroads'



## For the Average Man

Through the confusing haze of Federal and State social security projections—life insurance continues foremost in the confidence of the American people.

We repeat—that legal reserve life insurance still is the best form of individual social security for the masses, which is available in units and upon terms best suited to the needs of the average man.

To the officials of the American Life Convention assembled in Dallas, we extend our greetings and congratulations on the part that Convention has had in continually improving and maintaining the splendid institution of Life Insurance.

**CENTRAL STATES**  
**LIFE INSURANCE COMPANY**  
ST. LOUIS, MO.



YES...

## THERE'S EVEN A DIFFERENCE IN FOOTPRINTS . .

No two people in the world are alike. Medical records prove this. And insurance differs even more than footprints because each individual's life problems are radically different . . . even those of identical twins.

That is why B.M.A. offers such a wide variety of insurance protection, including accident, health, all forms of life, annuities, group and juvenile policies. Frequently, features of several B.M.A. plans are combined to meet the individual's needs for COMPLETE PROTECTION.

This is why B.M.A. salesmen are establishing unprecedented sales records of COMPLETE PROTECTION plans in thirty states and the District of Columbia.

## BUSINESS MEN'S ASSURANCE CO.

W. T. GRANT, PRESIDENT  
KANSAS CITY, MISSOURI

## COMPLETE Personal Protection

Monarch contracts cover all the hazards which attack individual earning power—accident, illness, old age and death.

The friendly relationships established through the placing of one contract lead to more extended coverage on the same individual and in the same home. Over one-third of our new business comes from the hearty recommendations of accident and health claimants.

## MONARCH LIFE INSURANCE COMPANY

Springfield, Massachusetts

## MONTANA LIFE INSURANCE CO.

*Enduring as the Mountains*

Twenty-six years old.

Assets—Thirteen millions.

Surplus to policyholders—Over two millions.

Ratio of assets to liabilities—120.10 per cent.

Assets per dollar of life reserve—\$1.30.

R. B. Richardson, Executive Vice President

Helena

Montana

condition is fairly satisfactory at this time and that the situation is brighter than it has been for some years. In addition to the railroads being the greatest factor in transportation service, he said they are cutting costs in operation, improving their service and modernizing their methods. The railroad industry, he declared, privately owned and operated, has the inherent over-all efficiency to carry itself on a self-supporting basis, insofar as its own operations are concerned.

### McConney Paper Proves Highlight

Vice-president and Actuary E. McConney of the Bankers Life of Iowa, whose paper on "Modernism in Life Insurance" at the Wednesday afternoon session was one of the most brilliant talks given at the convention, declared that life companies must look forward to the time when they will reach the optimum size at which operations can be carried on most profitably. When that time is reached, he said, companies must prepare to stabilize at that point. Another major problem is that of growth, in which the prevailing low interest rates will be an important factor. He predicted that companies must be prepared to adjust themselves to the present low interest earnings because if rates on new investments should begin to go up it will be several years before total rates will reflect the gain. He advised companies to make up for the reduction in interest earnings by obtaining profits from other sources, particularly in improved management.

A life company performs six functions, Mr. McConney said, they being: Operating, sales, selection, service and investment, and advisory, law and mathematics. Under the sales function, he declared, the greatest improvement can be made in selection and training of agents. While sales methods in life insurance have improved considerably from those of a few years ago, he pointed out they still lagged behind development in other lines. In the matter of selection, a company must steer a course that is tight enough to protect the company and loose enough so as not to create a disadvantage for the field force.

### Greatest Savings in the Service Function

The greatest savings and improvement can be made in the service function, where all unnecessary costs should be eliminated, at the same time maintaining morale. Mr. McConney urged companies to modernize their procedure in handling litigation, pointing out it is one of the responsibilities of a chief executive to decide whether minor cases should be taken to court or be settled with compromise. Many small cases, he said, are the subject of lengthy litigation at great expense, and are even more serious in that they may establish precedent which will cost companies hundreds of thousands of dollars in future years. Actuaries, he said, must not only assume responsibility for the more technical phases of their company's affairs, but must keep posted on changes in economic development and adapt their company's program accordingly.

### Executive Staff People Present

There came from the A. L. C. headquarters in Chicago Manager C. B. Robbins, Associate Counsel R. H. Kastner, Attorney M. E. Benson, Assistant Secretary Mildred Hammond and Publicity Manager D. R. Schilling. From the American Service Bureau there were present President Lee N. Parker, Vice President Barrett Woodsmall and Vice-president-Secretary M. B. Cederstrom.

### Gulf States Life Party

The Gulf States Life entertained a large number of convention people Tuesday evening in its pent house. The official hosts were President A. Morgan Duke, Executive Vice-president B. A. Donnally, Actuary-Secretary W. C. McCord, and Assistant Secretary John Briggs.

### Reports Progress in Service Bureau Work



LEE N. PARKER, Chicago  
President American Service Bureau

### Pick T. A. Phillips As New President

(CONTINUED FROM PAGE 1)

Mr. Phillips is a Canadian by birth, having seen the light of day at Arthur, Ont., Dec. 23, 1881. He, therefore, is more or less of a Christmas holiday's youngster. He took his college course at Toronto University, majoring in mathematics and physics. He has a mind naturally bent toward things mathematical and analytical. Aside from the American Life Convention Mr. Phillips has taken an active part in other organizations as he served as president of the American Institute of Actuaries. When he was 24 years of age he became connected with the actuarial department of the New York Life and there got his first view of practical operations of a life company. In 1909 he left the New York Life to join the Minnesota Mutual as secretary and actuary. He became vice-president later and then president on the retirement of President Randall. President Phillips is regarded as an all-round man in his work. He is a director of the First Trust Company of St. Paul and the American National Bank of that city. He is active in the Rotary Club and is a director and past president.

### G. S. Nollen's Service Has Been Distinctive

Mr. Nollen, who retires from the presidential chair, has served the organization with distinction this year. There is no more pleasing or impressive man on the platform than he. He is a man of culture and refinement and whenever he has anything to say he says it well and it is worth saying. He has been a tower of strength to the American Life Convention and has added much to its momentum. Fortunately, according to custom, he goes on the executive committee for two years and thus the organization will have the benefit of his experience.

As is customary the retiring president was elected on the executive committee, G. S. Nollen taking the place of F. V. Keesling, West Coast Life, who was president two years ago. Harry R. Wilson, vice-president American Central Life, was reelected. The new man on the committee is Julian Price, president Jefferson Standard Life. This gives the south two members, C. A. Craig, board chairman National Life & Accident, having been appointed to succeed the late U. S. Brandt, Ohio State Life. The south has not been represented on the



committee the last few years as it deserved.

There is general talk that President C. F. O'Donnell of the Southwestern Life may go on the committee next year. Texas is one of the A.L.C. strongholds, there being 11 companies of that state as members. There are 23 Texas full fledged, old line, legal reserve companies.

#### Much Valuable Material Is Being Furnished

The American Life Convention through its annual meetings and other agencies is furnishing excellent material in order that company executives can direct their minds with exact and logical thinking along economic lines. For instance the address of G. S. Nollen this year is a vital contribution to business and economic literature. It should receive devout attention not only by A. L. C. people but others. That one paper is one of the finest that has come out of an insurance gathering this year.

President Lee N. Parker of the American Service Bureau gave the report of that organization, this being its sixteenth year. The convention ratified the selection of the Broadmoor Hotel, Colorado Springs, for the annual meeting of the Medical Section June 17-19.

Manager Robbins, in tribute to Mr. Parker, said he had done a remarkable piece of work.

The annual convention next year will be held at the Edgewater Beach Hotel, Chicago.

Allen May, General American Life, reported for the committee on uniform laws. President Nollen gave acknowledgment to T. A. Phillips, Minnesota Mutual, as chairman of the program committee for his splendid service.

F. W. McAllister, Kansas City Life, for the tax committee, said that legislation of this sort has been absorbing for the last few years. Taxation is now a paramount issue. He said that states that have ruled on their unemployment acts so far have held agents are not

employees but independent contractors.

J. B. Reynolds, Kansas City Life, read the memoir on the death of S. A. Foster of Des Moines, one of the founders of the convention. Col. Robbins presented the memorial on U. S. Brandt, Ohio State Life, who was a member of the executive committee. Another notable convention figure who died during the year was C. F. Coffin, State Life of Indiana, who was a former president of the organization.

Dr. H. W. Cook, Northwestern National Life, for the committee on total and permanent disability, said that three members declare that income disability insurance is a proper function for a life company while three are opposed to it.

F. V. Keesling, West Coast Life, presented the resolution of appreciation for the entertainment furnished by the Dallas and other Texas companies.

President C. F. O'Donnell of the Southwestern Life responded to the expression of appreciation on motion of F. V. Keesling.

It was voted to recommend to the executive committee that hereafter the business session be held the second day or evening of the meetings.

J. B. Reynolds nominated T. A. Phillips for president, calling attention to the fact that 22 years ago when the American Life Convention met in Dallas, E. W. Randall, then president of the same company, was elected head of the organization.

Isaac Miller Hamilton, Federal Life, a founding father, as is Mr. Reynolds seconded the nomination. Henry Abels, Franklin Life, who presided at the meeting when Mr. Randall was elected also supported Mr. Phillips. Messrs. Reynolds and Hamilton escorted the new president to the platform.

Mr. Phillips presented the retiring president with the gavel used during the proceedings. Mr. Nollen in gracious phrase responded to the sentiment of the hour.

H. K. Lindsley, Farmers & Bankers  
(CONTINUED ON PAGE 20)

# GREETINGS . . .

to the

## AMERICAN LIFE CONVENTION

### THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

SAINT PAUL, MINNESOTA

## WE ARE GOING TO CELEBRATE!

### Our 25th Anniversary in March, 1937

We are planning to make our Silver Anniversary the banner year in Pan-American history.

We are going to appoint District Managers in Key Cities of Texas, Georgia, North and South Carolina and Virginia. We are strongly established in these States where the Pan-American is well and favorably known.

We are going to give these District Managers every cooperation and assistance to facilitate their success. If you consider yourself entitled to advancement to the position of Manager, write to us giving full particulars about yourself in first letter and submit photograph.

Address:

EDWARD G. SIMMONS

Vice-President & General Manager

PAN-AMERICAN LIFE INSURANCE COMPANY

New Orleans, U. S. A.

Crawford H. Ellis, President



## American Life Convention Greetings

To you, officers and members of the American Life Convention, the Peoples Life extends greetings. We would add our best wishes and congratulations for the splendid work accomplished in building the profession of Life Underwriting ever higher in the esteem and confidence of the people.

The words, "Life Insurance" have become a synonym for "Security." The investment plan of the Life companies offers the greatest degree of diversification and safety. To you we would give credit for much of our progress and success.

**PEOPLES LIFE INSURANCE CO.**

"The Friendly Company"

FRANKFORT

INDIANA

# Greetings to AMERICAN LIFE CONVENTION

## THE OTIS HANN COMPANY, Inc. "LIFE INSURANCE SERVICE"

333 NORTH MICHIGAN AVENUE  
CHICAGO

J. Roberts Hann  
President

M. C. Jones  
Western Manager

F. H. Landeck  
Vice President  
& Field Manager

H. W. Rice  
Eastern Manager

## A HEARTY TEXAS WELCOME to the Members of the AMERICAN LIFE CONVENTION

It is an honor and a  
pleasure to have you  
meet in Texas during  
its Centennial Year.

## WESTERN RESERVE LIFE INSURANCE COMPANY

A. F. ASHFORD, Vice-Pres. & Gen'l Mgr.  
SAN ANGELO TEXAS

"Registered Policies"

## Questions Asked By E. McConney Are Provocative

One of the most sparkling addresses of the week was that of E. McConney, actuary Bankers Life of Iowa. Here is his provocative comment on the problem of agency selection:

"Out of 100 new salesmen, whose reputation will be your reputation in their home towns, only about six become real successes in our business.

"Evidently the 90 and four represent examples of the triumph of hope over experience. This problem has been with us so long that the urgent need of correction is not realized. If we remain unmoved by this condition or are unsuccessful in remedying it, the accumulation of ill-will towards insurance on the part of the public is likely to have disastrous results. The public likes to feel that its company is associated with successes, not failures.

"Men are hired who do not have the natural aptitude to be salesmen; they are introverts instead of extroverts in the idiom of the psychologists.

"What standards of integrity, intelligence and potential capacity do you use in selecting men?

"Hiring a new man is only part of the picture. Training is the second step.

### Insurance Sales Technique Below That of Others

"The trend of anthropology is away from the theory of inheritance alone and is more toward that of environment and education. Even if we believe that all the training in the world will not raise one's intelligence quota from an appreciation of Eddie Cantor up to the level of an appreciation of Al Jolson, still we must grant that training will add something to any mind.

"The public knows its insurance better than we realize. The other day a busy executive took the time to write this friendly letter: 'I have been your policyholder for years. Better put Mr. —, your solicitor, in training. I am too busy these days to talk details of life insurance with a man who can tell me little.'

### Why Do Legislatures of States Have to Step In?

"The sales technique used by insurance companies is far behind that of other industries. We still carry on the time honored method of sowing unfairness and expecting to reap a harvest of good will. We urge any available men (provided they can support themselves for a few months) into the business, get what business we can from their relatives and friends, give no training or supervision, and allow the great majority to drift back to other walks of life—disillusioned and antagonistic.

"Why do state legislatures have to pass laws providing for the training of men before they can be licensed? Is it not because we have been woefully lax in training them ourselves?

"How are your men trained?

### How About Supervision During the Early Period?

"Are they supervised adequately in the early period with your company?

"After we have found a salesman, have trained him, and supervised him, how do we remunerate him?

"Is the familiar commission contract the eternal answer to our prayers and as unchangeable as the constitution?

"Finally, what is the measure of a successful salesman. For example, when is a million dollar producer a failure?

"The answer comes back: When he has too high a lapse rate. I know of one man who produced over a million a year for several years but each year over 70 percent of his business failed to get into its second policy year. He was not

## Brings Greetings From Fraternal Societies



FOSTER FARRELL

Foster Farrell of Chicago brought greetings from the National Fraternal Congress, of which he is executive secretary. He is especially well informed on investment matters and has proved to be a good acquisition for the fraternalists.

only a menace to any company he went with, but a destroyer of our national resources.

"We need not confine our persistency investigation to the million dollar man. The smaller producer with a miserable persistency is, if anything, a worse menace for he usually takes up a lot of the time of the general agent, too.

"Are we going to wait until the legislatures pass laws to prohibit the licensing of such unfit men, or are we going to clean our own houses?"

### Charles E. Becker's Entertain

President C. E. Becker of the Great American Life of San Antonio and his popular wife entertained on various occasions. Mr. Becker won a handsome golf bag at the golf tournament. Other officials of the company present were Executive Vice-president R. H. Brand, Vice-president W. L. Dugger, General Sales Manager Al. Gastafson, Secretary-Actuary W. J. Hiller, Sales Manager E. I. Lee, Assistant Actuary Francis Bowen; R. H. Swann, manager industrial department; C. B. MacPhail, advertising manager.

### Heavy Registration at Dallas

There were about 450 registered at the convention aside from the women in attendance. The A. L. C. office got a printed attendance list giving company designation and hotel location.

### T. A. Phillips Is Elected as New Head of Organization (CONTINUED FROM PAGE 19)

Life, nominated G. S. Nollen for a place on the executive committee. President F. L. Alexander, Lafayette Life, presented the name of Harry R. Wilson to succeed himself as a member of the committee. F. V. Keesling averred American Life Convention renders a greater service for life insurance than any other organization. He put in nomination for executive committeeman, President Julian Price of Jefferson Standard. Judge O'Donnell supported Mr. Price, who was given an ovation. Claris Adams, president Ohio State Life, paid tribute to his immediate predecessor, U. S. Brandt, and expressed appreciation for the memorial adopted in his honor.

It has become a custom for J. B. Reynolds to close the proceedings and he did it in his usual delightful way.